

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,) Case No. 4:15-CR-6049-EFS-2
)
Plaintiff,) December 11, 2018
)
v.) Richland, Washington
) Sentencing Hearing
JESE DAVID CARILLO CASILLAS,) Day 1
)
Defendant.) Pages 1 to 164

BEFORE THE HONORABLE EDWARD F. SHEA
SENIOR UNITED STATES DISTRICT COURT JUDGE

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1 (December 11, 2018; 11:31 a.m.)

2 THE COURTROOM DEPUTY: Please rise.

3 (Call to Order of the Court.)

4 THE COURT: Good morning to you all.

11:31:17 5 Please be seated.

6 THE COURTROOM DEPUTY: Matter before the Court is United
7 States of America v. Jese David Carillo Casillas, Cause
8 No. 4:15-CR-6049-EFS, Defendant No. 2. Time set for sentencing.

9 Counsel, please state your presence for the record.

11:31:33 10 MR. VIETH: Stephanie Van Marter, Caitlin Baunsgard, and
11 also our case agent, Joe Brazeau, are at counsel table. Good
12 morning.

13 THE COURT: Good morning.

14 MR. VIETH: Good morning, Your Honor. Nick Vieth for
11:31:45 15 Mr. Jese Casillas. Also with me is Mr. Al Barrett.

16 THE COURT: Okay. Thank you.

17 Mr. Casillas Carillo; welcome to you all. And,
18 Mr. Barrett, good to see you again.

19 MR. BARRETT: Thank you.

11:31:57 20 THE COURT: You may start.

21 MS. VAN MARTER: Your Honor --

22 THE COURT: Just outline your day for me, will you?

23 MS. VAN MARTER: I was just going to say, some
24 housekeeping matters. The United States has provided to the
11:32:04 25 Court a number of exhibits. It is not our intention to play

1 every one and go through every one in detail. It is our
2 intention to present a few witnesses, to go over parts of some
3 of those transcripts and recordings for the Court, so that we
4 can try and get through this as efficiently as possible.

11:32:21 5 Right now we would like to call Jaime Cepero, as well as
6 Scott Barlow with RCMP; and if there's any remaining issues,
7 then we would call Bill Leahy.

8 THE COURT: Okay. Well, it's 12:32 [sic] at this time.
9 Can you lower the volume, Ms. Vargas, in some fashion?
11:32:38 10 Thanks.

11 We may get it so low that we can't hear each other, but
12 at least we're trying so -- that seems a little bit better for
13 me.

14 MS. VAN MARTER: Is it a little bit -- not quite so
11:32:48 15 loud?

16 THE COURT: Yeah.

17 Okay. Well, I need to know, Mr. Vieth, what is your
18 sense of the day?

19 MR. VIETH: It's largely in the hands of the Government,
11:32:55 20 Your Honor. I think, after speaking with the Government,
21 hopefully we can keep this pretty consolidated. That was my
22 early request, because I know the Court already has all of these
23 exhibits.

24 THE COURT: Well, now, having the exhibits is one thing.
11:33:08 25 Making findings of fact that support certain rulings is another.

1 And so I'm not using exhibits to fill in what you don't do,
2 unless you tell me that. So if it's in evidence as an exhibit,
3 and there are only portions you want me to consider in order to
4 establish findings of facts and conclusions of law, then you
11:33:30 5 need to tell me what those are. I'm not making the assumption,
6 just for all of our benefit, that I'm going through each of the
7 CDs and culling those for evidence to support your respective
8 positions.

9 MR. VIETH: And that's my understanding, after speaking
11:33:46 10 with the Government, what they are going to be doing.

11 THE COURT: Is identifying those things that you think
12 are supportive?

13 MS. VAN MARTER: Yes, Your Honor.

14 THE COURT: And you can contest those as you wish or
11:33:55 15 agree to them as you wish.

16 MR. VIETH: Yes.

17 THE COURT: So what kind of time are you looking at?
18 Because it's 12:35. We'll take a break at noon. Tell me what
19 you're thinking of.

11:34:06 20 MS. VAN MARTER: Your Honor, I was -- I know the Court
21 had previously provided approximately two and a half hours for
22 the purpose of sentencing. It's my intention to keep it as
23 close to that as possible.

24 THE COURT: Okay.

11:34:15 25 MS. VAN MARTER: It's likely going to go over by about

1 30 minutes or so. But that's the intention.

2 THE COURT: So, Mr. Vieth, is that what you understand
3 the schedule to be?

4 MR. VIETH: It is now, Your Honor. The only thing that
11:34:27 5 I have, Judge, is that my client did submit a -- it's about a
6 five- or six-page letter, and I just would request that the
7 Court can review that in chambers at its leisure, if it
8 hasn't -- if you haven't already done so.

9 THE COURT: Well, I think he sent it to me, didn't he?

11:34:48 10 MR. VIETH: He did, yes.

11 THE COURT: And then I thought I sent it to you.

12 MR. VIETH: You did, Judge.

13 THE COURT: Okay. Well, then I've already reviewed it.

14 MR. VIETH: Exactly, Judge. And I just wanted to make
11:34:56 15 that clear for my client, because he was very concerned, and
16 make sure that you did have an opportunity --

17 THE COURT: No, I read it twice.

18 MR. VIETH: Thank you, Judge.

19 THE COURT: Thank you.

11:35:02 20 Okay. Let's get started then, if you're ready. Okay?
21 Let's get started. First witness?

22 MS. VAN MARTER: The United States would call Jaime
23 Cepero, please.

24 THE COURT: Okay.

11:35:12 25 (Witness approached.)

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1 THE COURT: If you'll come forward, please, to your
2 right and to my left.

3 THE WITNESS: Good morning, Your Honor.

4

11:35:25

5 JAIME CEPERO, JR.,
6 called as a witness on behalf of the Plaintiff, having first
7 sworn or affirmed, testified under oath as follows:

8 THE WITNESS: I do.

9 THE COURT: Good morning.

11:35:33

10 Please be seated. Make sure the green light is on on
11 your microphone, and speaking directly into the microphone, tell
12 us your first and last name, please, and then spell them both
13 for the record.

14 THE WITNESS: Yes. My name is Jaime Cepero, and that's
15 J-A-I-M-E, C-E-P-E-R-O. I'm a junior, and I'm a trooper with
16 the Massachusetts State Police.

11:35:45

17 THE COURT: Well, welcome. Go ahead.

18

19 DIRECT EXAMINATION

11:35:55

20 BY MS. VAN MARTER:

21 Q Good morning.

22 How long have you been with the Massachusetts State Police?

23 A Thirty-five years, ma'am.

24 Q And what is your current assignment?

11:36:03

25 A I'm currently assigned to the DEA Financial Investigations

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1 Team in Boston as a task force officer.

2 Q And how long have you been with the Financial
3 Investigations Team?

4 A I've been a task force officer since, uh, 2000 -- since
11:36:18 5 2000, so about 18 years.

6 Q And what are your primary duties and responsibilities on
7 the task force?

8 A It's the investigation of money laundering organizations,
9 both domestic and international, but my primary duties are
11:36:31 10 undercover activities.

11 Q And when you say "undercover activities," what do you mean?

12 A I portray myself as either a money launderer or a drug
13 trafficker, and I engage actual money launderers or drug
14 traffickers in the act of money laundering and/or negotiating
11:36:46 15 for trafficking deals.

16 Q And, just briefly, what type of training have you received
17 specific to undercover operations?

18 A I received training from the Massachusetts State Police
19 upon induction as a trooper with regards to basic narcotics
11:36:59 20 investigations and narcotics identification. Throughout my
21 career, I've attended numerous other training sessions, both
22 provided by the Massachusetts State Police, the Drug Enforcement
23 Administration, the Customs and Border Protection organization,
24 and other organizations dedicated to narcotics enforcement.

11:37:18 25 Q And do your duties also take you overseas?

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1 A Yes, they do, ma'am.

2 Q And are you fluent in any languages?

3 A Yes, in Spanish. That's my native tongue.

4 Q And is that the primary language that you utilize while
11:37:31 5 undercover?

6 A Yes.

7 Q I'm going to ask you some specific questions about a
8 particular organization that you participated in the
9 investigation, and we refer to it here in this district as the
11:37:42 10 Ivan Calvillo drug trafficking organization.

11 Are you familiar with that individual?

12 A I have become familiar with him, yes.

13 THE COURT: Before going any further, just for counsel,
14 all findings of facts in this case are by a preponderance of the
11:37:53 15 evidence, correct?

16 MS. VAN MARTER: Correct, Your Honor.

17 THE COURT: Mr. Vieth?

18 MR. VIETH: Yes, Judge.

19 THE COURT: Okay. Go ahead.

11:38:00 20 BY MS. VAN MARTER: (Continuing)

21 Q And how did you know or what name did you know Ivan
22 Calvillo by?

23 A I know him as Cholo, *compadre*, and also as Ivan.

24 Q And how did you come to be in contact with Ivan?

11:38:13 25 A It began through a money laundering operation we were doing

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1 in Toronto, Canada, in which, after the money was -- was moved
2 in an undercover capacity, I was contacted by members of his
3 organization and, ultimately, him personally.

4 Q So when you refer to that Toronto movement of money, was
11:38:33 5 there a particular issue with that that brought you into contact
6 with Ivan?

7 A Um, after I had received the disbursement request, uh,
8 all -- all the disbursements were made, and I was contacted by
9 one of his, uh, workers out of Vancouver telling me that, uh,
11:38:53 10 the money had not been paid to him.

11 Q And what worker was that? Did you know a name?

12 A Uh, last name Duque [sic].

13 Q First name of Jorge?

14 A Yes.

11:39:02 15 Q And when you say --

16 THE COURT: What was his last name?

17 THE WITNESS: Duque.

18 THE COURT: L-U-Q-U-E?

19 THE WITNESS: D-U-Q-U-E, I believe.

11:39:11 20 BY MS. VAN MARTER: (Continuing)

21 Q De Luque?

22 A De Luque.

23 Q And when you say "disbursements" and things like that, for
24 the record, what are you talking about?

11:39:18 25 A Wire transfers.

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1 Q And so when you receive a request, so -- in other words,
2 the organization has a specific amount of money that they need
3 to drop to you.

4 Is that correct?

11:39:26 5 A Yes, is -- they referred to as a contract. Normally I
6 would be dealing with brokers in Columbia, and they would offer
7 us contracts for -- for drug proceeds that are in various
8 locations. We would arrange for the pickup of those -- those
9 drug proceeds, and then once the -- they were in our possession,
11:39:44 10 in our undercover accounts, we would receive instructions from
11 the brokers or from the targets or the subjects of the
12 investigation to forward that money to other accounts that
13 facilitated the movement of --

14 THE COURT: When you initiated contact, tell me, what
11:39:59 15 was your front? What was your cover? How did you present
16 yourself? As a person that did or had connections or --

17 THE WITNESS: Mostly as a facilitator. Uh, by that I
18 mean someone who's had business ties or had accounts which can
19 receive the money, put it into the system, and then move it
11:40:18 20 according to the request of the subject that I was dealing with.

21 THE COURT: And what were you getting for a fee?

22 THE WITNESS: We would would charge a fee, depending on
23 the location. Uh, that fee, under the Attorney General's exempt
24 program could be used to further the case.

11:40:35 25 THE COURT: Sure.

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1 BY MS. VAN MARTER: (Continuing)

2 Q And so -- and we are going to get into some of these
3 details, but those fees, would those fees change depending on
4 where the money was picked up?

11:40:44 5 A They would change depending on where the location that we
6 were asked to pick up the money, and sometimes depending on our
7 negotiations with the -- with the person that was making the
8 request.

9 Q So, in general, if you received a contract to pick up money
11:40:57 10 in Canada, what type of fee would you negotiate and/or charge
11 the organization?

12 A In that time period we're charging around 6 percent.

13 Q If the money were to be picked up in the United States,
14 what fee would you charge the organization?

11:41:08 15 A In that time period we were charging 4 percent.

16 Q Okay. So in this particular instance, there was a contract
17 that occurred up in Toronto. You received the monies or the
18 money drop in Toronto; is that correct?

19 A Yes, ma'am.

11:41:20 20 Q And then you received the disbursement requests; is that
21 correct?

22 A Yes, ma'am.

23 Q And there was some issue with one of the disbursements, and
24 you received contact by Mr. De Luque?

11:41:29 25 A Yes.

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1 Q And he was out of Vancouver?

2 A Yes.

3 Q And what happened next?

4 A Uh, after that contact, uh, I -- I told Mr. De Luque that
11:41:41 5 if his -- because he was telling me his boss was reporting that
6 to him. I told him if he had his boss call me, I'll try to
7 straighten it out. And that's how I came into contact with
8 Mr. Ivan Hernandez.

9 Q How did you communicate then with Ivan?

11:41:58 10 A We would communicate, uh, through BBM, WhatsApp, and
11 sometimes phone calls, as well as voice, uh, calls using the
12 WhatsApp program.

13 Q And --

14 THE COURT: Excuse me. What is a BBM?

11:42:14 15 THE WITNESS: Blackberry Messenger.

16 BY MS. VAN MARTER: (Continuing)

17 Q And when Ivan contacted you, did he explain to you what his
18 role was with respect to that money disbursement?

19 A He told me he was the owner of the money, and the -- the
11:42:26 20 money hadn't been paid to him --

21 Q And do you recall --

22 A -- and he was trying to find out what happened.

23 Q I apologize.

24 Do you recall approximately how much that money drop was
11:42:34 25 originally, in Toronto?

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1 A I think it was around 260 to 300,000; something in that
2 range.

3 Q And after that first contact, then, with Ivan, did you
4 remain in communication with him?

11:42:47 5 A Yes.

6 Q Did he reach back out to you for the purpose of additional
7 contracts?

8 A Yes, he did.

9 Q And what was the nature of those conversations?

11:42:55 10 A Uh, he would ask me to, uh -- uh, pick up money in
11 different parts, both in -- in Vancouver, Toronto, in other
12 parts of the United States. And at one time he even asked me
13 about picking up money in Australia and in Japan.

14 Q And who did Ivan think you were, by name?

11:43:13 15 A He thought I was El Negro; that was the moniker that I was
16 going by. And he was assuming that I was someone that he knew
17 or he wanted to work with.

18 THE COURT: So when I see references in transcripts of
19 "Negro," was that you?

11:43:27 20 THE WITNESS: That was -- that was my moniker.

21 THE COURT: That was your moniker. Okay. Thank you.

22 BY MS. VAN MARTER: (Continuing)

23 Q And based upon your communications, then, with Ivan, what
24 was the business arrangements that you came to him regarding the
11:43:38 25 money contracts?

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1 A Um, the same arrangements with regards that I could do
2 these -- these pickups for a percentage of -- that would range
3 depending on the location, as -- as previously testified. And
4 also, uh, that I needed him to provide accounts; that I could
11:43:55 5 not do the full payout, being paying him in Mexico where he --
6 he wanted the money to go to.

7 Q And during these conversations, what did you understand the
8 source of funds to be?

9 A Uh, narcotic trafficking.

11:44:07 10 THE COURT: What was your understanding based on?

11 THE WITNESS: Uh, we ended up negotiating for heroin,
12 uh, purchases and ...

13 BY MS. VAN MARTER: (Continuing)

14 Q Were there -- during your communications -- and there were
11:44:20 15 a number of communications between yourself and Ivan; is that
16 correct?

17 A Yes.

18 Q Because they began in approximately April of 2014; is that
19 correct?

11:44:28 20 A That's correct, ma'am.

21 Q And they continued with him directly up until the time of
22 his death?

23 A Yes, ma'am.

24 Q And during these communications, was there a time or often
11:44:37 25 a time to renegotiate or to discuss drug transactions with you?

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1 A Yes.

2 Q And what was the nature of that kind of ongoing
3 conversation with Ivan?

4 A It began with regards to meals or having clients for the
11:44:52 5 drugs in the locations that I worked, and it ended up with, uh,
6 negotiating for the delivery of a sample of heroin in Vancouver.
7 This was being done with the -- under the authority and
8 cooperation of the RCMP. So that's how we got into the actual
9 drug trafficking transactions.

11:45:10 10 Q Okay. And I know we're going to get into that in detail.
11 I want to ask a couple other foundation questions.

12 There was a lot of discussion throughout the investigation
13 about the use of a code system or a piece of currency to ensure
14 that the drug -- or that the cash drop would occur
11:45:27 15 appropriately.

16 A Yes, ma'am.

17 Q And could you please explain to the Court what that was.

18 A We would use what they would refer to as a token or that's
19 a number to exchange. What it basically was was either a
11:45:38 20 photograph of a dollar bill, which the person that was going to
21 receive the money would provide to the person holding the money
22 to show that he is the correct person to receive those drug
23 proceeds. That dollar would then transfer to the person that
24 delivers the money, and it would serve as his receipt to the
11:45:57 25 person he's responsible to, to show that he provided the money

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1 to the correct person.

2 Q So in your money drops, specifically first with Ivan, how
3 did they work, then, between you and Ivan and the exchange of --
4 confirmation of the token?

11:46:12 5 A Uh, whenever he would request me to do a money pickup, I
6 would provide him a contact number. That would be a contact
7 number to an undercover officer in the location that, uh, the
8 drop was going to be made, and also I would provide him a
9 photograph of a dollar bill or a Canadian \$5 bill, whichever --
11:46:31 10 wherever it was being done. And then that -- then Mr. Ivan
11 would then forward that information to the person holding the
12 money to make contact and then eventually do the transfer.

13 Q And did this same process later apply when you were doing
14 money drops with Jese Casillas?

11:46:51 15 A Yes, ma'am.

16 Q Did you come -- during this time period you said that you
17 involved the RCMP.

18 Is that correct?

19 A Yes, ma'am. We were working with the RCMP in Canada and
11:47:00 20 with Mexican authorities on -- on the southern end of the
21 investigation.

22 Q And you also mentioned that Ivan wanted to do drops in
23 other countries; is that correct?

24 A Yes, ma'am.

11:47:10 25 Q And what other countries?

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1 A Australia and Japan.

2 Q And did you also work with law enforcement in those areas
3 as well?

4 A In Australia we did a successful pickup; in Japan there
5 were issues so we did not complete that pickup.

11:47:20

6 Q And during this time period, did you come to learn of an
7 open or active investigation here in the Eastern District of
8 Washington?

9 A Yes, ma'am.

11:47:29

10 Q And do you recall how it is that you learned of that
11 investigation?

12 A I believe it was through deconflicting of numbers and
13 information that we had gathered in the case.

14 Q During these conversations, then, with Ivan, these ongoing
15 conversations, did he discuss with you having other means of
16 laundering money for his organization as well?

11:47:42

17 A Yes. He had told me that -- at one time we entered into
18 discussions with regards to he thought that my fee was too high,
19 and, uh, and in those discussions he told me that he would also
20 use Chinese nationals to move his money, and they were charging
21 much less amounts in order to pay out in Mexico.

11:47:57

22 Um, so at that point we agreed that, you know, if that's
23 cheaper for him, it's good for you, but I'm here available to
24 service anything else you need with regards to local -- local,
25 uh, laundering activities, which he agreed to.

11:48:17

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1 THE COURT: He ceased or he continued?

2 THE WITNESS: He continued. But the volume of the
3 amount of money he was giving me was much lower than before
4 because he was saying that he could get that done for cheaper.

11:48:32 5 THE COURT: Okay. What kind of money are we talking
6 about that you and he were -- what numbers are we talking about?

7 THE WITNESS: Originally we were doing anywhere from
8 300,000 and around that. He spoke of larger amounts, but
9 when -- when he -- we went into this -- basically I became his
11:48:51 10 private banker, that he would give me smaller amounts, and then
11 he would have me distribute those amounts to people and
12 locations throughout the United States, which it was my
13 understanding were people that were associated with him.

14 THE COURT: So these aren't tens of thousands of dollars
11:49:09 15 or were they -- did they appear to be individual -- individual
16 amounts?

17 THE WITNESS: The pickups normally were between 70 to
18 100,000, and they were being disbursed to private individuals
19 and also transportation companies, some of which we later found
11:49:25 20 out were involved in transporting of drugs also.

21 THE COURT: Thank you.

22 BY MS. VAN MARTER: (Continuing)

23 Q And during this time when you were disbursing or receiving
24 instructions on where to disburse some of these smaller amounts,
11:49:37 25 what did you understand those payments were going towards?

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1 A Again, my understanding is it was going to payment of
2 people that were associated with him. The transportation
3 companies were easy to understand, their associations, since
4 they were transport companies. In one occasion we located one
11:49:50 5 of the transport companies that we sent money to, we actually --
6 seizures were made from that transportation company with drugs
7 in -- in the trucks.

8 Q And are you familiar, at least, with the term of
9 "overhead," given in the business that you assist with, money
11:50:06 10 laundering for drug trafficking organizations?

11 A Yes, ma'am.

12 Q And what types of overhead do they have?

13 A Again, workers, people who do -- or act in different
14 capacities within the organization. And it was my understanding
11:50:18 15 that that's what I was doing; I was paying people that were
16 associated to his organization.

17 Q And did that also draw you to the Eastern District of
18 Washington in terms of some of the disbursements being directed
19 by Ivan?

11:50:29 20 A Yes, ma'am.

21 Q Were there several disbursements here in the Eastern
22 District of Washington to individuals as well as businesses?

23 A Yes, ma'am.

24 Q And did you later learn that Ivan had lived here in the
11:50:38 25 Eastern District for a period of time?

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1 A Yes, ma'am.

2 Q Have you had the opportunity to review what has been marked
3 as Government's Attachment A and previously provided to the
4 Court and counsel, which is a summary timeline of the events
5 relating to this investigation?

11:50:55

6 A Yes, I reviewed that with you yesterday.

7 Q And do those events also include these wire -- or these
8 cash pickups that you were a party to with Ivan and then later
9 Mr. Casillas?

11:51:06

10 A Yes, ma'am.

11 Q And do those accurately summarize the number of cash money
12 pickups that you orchestrated with Ivan and Mr. Casillas?

13 A Yes, ma'am.

14 Q As well as the quantity or the number of -- the amount of
15 cash? Excuse me.

11:51:17

16 A Yes, ma'am.

17 MS. VAN MARTER: Your Honor, I would move to admit
18 Attachment A, which I don't believe counsel has an objection to,
19 for the Court's reference in summary of the time period of the
20 investigation and events.

11:51:26

21 MR. VIETH: That's correct, Judge. No objection.

22 THE COURT: Okay. Admitted.

23 (Government Exhibit No. 1 (also referred to as Attachment
24 A) admitted into evidence.)

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1 BY MS. VAN MARTER: (Continuing)

2 Q Okay. Showing for you on screen is part of that timeline
3 that we've just admitted, Government's Attachment A. I want to
4 just refer to, first, these first windows beginning in October
11:52:04 5 of 2014, and there's boxes there referencing Jorge De Vincente
6 Luque and two cash money drops in October of 2014.

7 Are you seeing that?

8 A Yes, ma'am.

9 Q Okay. And are those reflective of the two -- first two
11:52:28 10 cash money drops that occurred in the Vancouver area at the
11 direction of Ivan?

12 A Yes, ma'am.

13 Q And is that the same individual that you previously
14 testified to that had first reached out to you before you first
11:52:40 15 began communication with Ivan?

16 A Yes, ma'am.

17 Q Okay.

18 THE COURT: At any time that counsel asks you, you
19 can -- you can mark on the screen with your finger.

11:52:54 20 THE WITNESS: Yes, ma'am -- sorry, Your Honor.

21 BY MS. VAN MARTER: (Continuing)

22 Q And I've just scrolled over to the right. There are two
23 additional boxes: November 20th of 2014, a cash money pickup in
24 the amount of 55,376.

11:53:06 25 Do you see that?

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1 A November 20th, yes.

2 Q Okay. And then another one, December 2nd of 2014 in the
3 amount of 76,042?

4 A Yes, ma'am.

11:53:17 5 Q Is this the time period that you were referring to that the
6 amounts lessened, based upon the fee?

7 A Yes, ma'am.

8 Q Okay. I want to ask you some specific questions about this
9 April 2015 and April 22nd, 2015, cash money drops referenced.

11:53:43 10 Do you see those on the screen?

11 A Yes, ma'am.

12 Q And what was the amount for the April 15th, 2015, cash
13 money drop?

14 A Uh, 100,140 Canadian.

11:53:55 15 THE COURT: Hang on a second. I'm trying to follow you.
16 You're on which date? Just point to the screen.

17 MS. VAN MARTER: The green arrow should be at the two
18 boxes, Your Honor.

19 THE COURT: Not on my screen.

11:54:10 20 Where is it relative to the April 30th, 2015, box?

21 MS. VAN MARTER: Just to the left. There's an
22 April 15th and then --

23 THE COURT: That's fine. I'm there now.

24 BY MS. VAN MARTER: (Continuing)

11:54:22 25 Q And how much was, then, the April 22nd, 2015, cash money

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1 drop?

2 A Uh, \$163,608.

3 Q Okay.

4 THE COURT: When we're using these numbers, does it
5 matter whether we're talking Canadian or U.S.?

11:54:38

6 MS. VAN MARTER: I believe he specified earlier that it
7 was Canadian currency.

8 BY MS. VAN MARTER: (Continuing)

9 Q Were those both in Canadian currency?

11:54:48

10 A I believe, ma'am, that the amount that you have on the
11 second one is in U.S. currency, because we did not receive cents
12 in the -- in the drops.

13 Q Okay. And have you -- just by way of example for the
14 Court, have you had the chance to review your BBM and WhatsApp
15 communication with Ivan regarding those two money drops?

11:55:08

16 A Uh, yes, ma'am.

17 Q And during these communications, then, with Ivan, would you
18 also work out the exchange rate?

19 A The exchange rate was already set. Uh, basically the
20 agreement was that, uh, we would charge 6 percent, and that
21 the -- the rate of exchange will be determined at the time that
22 the -- the money was deposited, and it would be the actual
23 exchange rate, the official exchange rate of the day.

11:55:27

24 Q Okay. I'm going to show you what has been provided as part
25 of Attachment D, which is a WhatsApp communication from this

11:55:48

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1 transaction, which was labeled as Transaction No. 56.

2 Do you recognize what is showing on the screen regarding
3 Transaction No. 56 with respect to communication between
4 yourself and Ivan?

11:56:17 5 A Yes. It's a portion of the communication that, uh, I -- I
6 made a screen recording of. Uh, on the top left-hand corner I
7 would -- I would label, uh, the name and the last numbers of the
8 number associated with this WhatsApp account. And this one says
9 Ivan 41315, and then what you would see, Your Honor, is the
11:56:42 10 actual conversation as it came into my -- to the WhatsApp, and
11 it was recorded on my phone.

12 Q Okay. And specific as to that April 22nd transaction, is
13 there an accounting as noted -- my cursor is going around it --
14 from the April -- noted and dated on April 23rd of a conversion
11:57:06 15 that you began to do with Ivan as to the amount of money that
16 would be dropped and how it would be exchanged?

17 A Yes, ma'am.

18 THE WITNESS: This would be, Your Honor, like an
19 approximation, because, again, the only way we would know
11:57:18 20 exactly what the actual transaction -- transaction would --
21 would -- exchange would be would be after the deposit and it's
22 applied for the day.

23 But in these negotiations, what I would do is I would
24 screen-shot. This is an app, E-X --

11:57:35 25 THE COURT: It's converted into various currencies?

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1 THE WITNESS: Correct. So he could see if what we
2 received was 240 -- 200,040 Canadian dollars, uh, what the --
3 the approximate conversion would be, so he would have an idea.

4 BY MS. VAN MARTER: (Continuing)

11:57:52

5 Q And so as it's reflected in the April 22nd, then, as you
6 testified, that 163,608, that was actually the converted
7 American, or U.S. currency amount?

8 A That's correct, ma'am.

11:58:06

9 Q And the actual amount that was supposed to be, then,
10 provided in Canada was 200,040, correct?

11 A Correct.

11:58:22

12 Q And just by way of example, again, to show the Court what
13 these WhatsApp communications were like, I will -- so this was
14 continuing to scroll and capture the conversation between you
15 and Ivan regarding those money drops; is that correct?

16 A Yes.

17 Q And later on, as the conversation continued, then, did he
18 provide you disbursement instructions?

11:58:32

19 A Yes. So as you can see, these are some of the disbursement
20 instructions that he would provide. He would either provide
21 them in written form with the WhatsApp application or would take
22 pictures of documents showing the instructions for the wires.

11:58:54

23 Q And during your time with Ivan, did you have a number of
24 accounts that you would deposit, then, down in Mexico, to
25 include also accounts here in the United States?

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1 A Yes. He provided me several accounts of businesses and
2 individuals, uh, to send money to in Mexico.

3 Q And then would you provide him proof, once the disbursement
4 was made?

11:59:07 5 A Yes, I would -- I would do screen-shots of, uh, the wire
6 transfer confirmation information, and I would send it to him
7 either through BlackBerry Messenger or through WhatsApp.

8 Q And what's being shown now on the screen as part of this
9 continuous conversation with Ivan are additional disbursement
11:59:25 10 instructions from Ivan; is that correct?

11 A That's correct. As you see, information for the account,
12 and then the amount of money that he would want me to send to
13 that -- to that account.

14 Q And there is a Jese D. Casillas, Wells Fargo account, in
11:59:37 15 the amount of 8 mill.

16 What is that reference?

17 A That would be \$8,000 that was sent to Jese D. Casillas at
18 that account number in Wells Fargo.

19 THE COURT: What's the date?

11:59:46 20 THE WITNESS: The date, um, if -- April 24th -- as you
21 see it in the top in light blue, April 24th, 2015.

22 THE COURT: I have it now. Thank you.

23 THE WITNESS: That would show when the conversation was
24 taking place, Your Honor, not exactly when that \$8,000 left.

12:00:03 25 THE COURT: Okay.

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1 BY MS. VAN MARTER: (Continuing)

2 Q And how soon after receiving the disbursement instructions
3 would you then disburse the funds?

4 A Uh, it would depend. You know, if I got the -- the
12:00:13 5 instructions before the weekend, it might not be until the
6 following Monday, but it depends on when I got the instructions.

7 Q And from an investigative perspective, what is the overall
8 goal in continuing to receive these contracts and disburse funds
9 to various accounts in the United States and elsewhere?

12:00:29 10 A It's for them to follow the expanse of the whole
11 organization, both from the people who are shipping the drugs
12 and receiving the money to the people who are receiving the
13 drugs and distributing the drugs and the generation of the money
14 and any and all facilitators in the -- in the game or in the
12:00:47 15 organization.

16 Q And, again, this is during the time period where your
17 relationship with Ivan had evolved to where you were
18 predominately paying overhead and transportation-type costs; is
19 that correct?

12:00:57 20 A Yes, ma'am.

21 THE COURT: Would this be a good point to stop, or not?
22 Do you want to complete something or ...

23 MS. VAN MARTER: We can, Your Honor. That would be
24 fine.

12:01:09 25 THE COURT: What would you like to do for lunch, in

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1 terms of time?

2 MS. VAN MARTER: If the Court is amenable, 1 o'clock?

3 THE COURT: One o'clock is fine. Okay, folks.

4 Thanks. You may step down.

12:01:16 5 THE WITNESS: Yes, Your Honor.

6 THE COURT: We'll be back later. We'll take a luncheon
7 recess until 1 o'clock. Please be back at that time, and thank
8 you.

9 THE COURTROOM DEPUTY: Please rise.

12:01:32 10 Court is in recess.

11 (Recess taken: 12:01 p.m. to 1:20 p.m.)

12 THE COURTROOM DEPUTY: Please rise.

13 (Call to Order of the Court.)

14 THE COURT: Good afternoon. Please be seated.

01:20:31 15 Let's resume.

16 MS. VAN MARTER: Thank you.

17

18 CONTINUED DIRECT EXAMINATION OF JAIME CEPERO

19 BY MS. VAN MARTER:

01:20:37 20 Q We left off with a deposit that was shown from a BBM
21 conversation between you and Ivan directed to Jese Casillas.

22 Do you recall that?

23 A Yes, ma'am.

24 THE COURT: That was dated April 24th, 2015?

01:20:52 25 MS. VAN MARTER: That's correct.

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1 THE COURT: Involving an \$8,000 transfer to the
2 defendant?

3 MS. VAN MARTER: Correct.

4 THE COURT: Thank you.

01:20:58 5 So, for your purposes -- excuse me one second -- are you
6 asserting this demonstrates his participation in the DTO as of
7 that time?

8 MS. VAN MARTER: Your Honor, I am, yes, using that to
9 demonstrate the timeline that we presented in our brief
01:21:11 10 regarding our first identification of Mr. Casillas beginning in
11 April of that year regarding two stash vehicles that then
12 coincides with when he received that first --

13 THE COURT: Okay. Yeah. All right. I read that.
14 Thank you.

01:21:25 15 But there's a lot of material to amass, and you're more
16 familiar with it than I am, so if it's important to either of
17 you, then tell me why it's important, and I'll listen.

18 Okay?

19 Thank you.

01:21:36 20 MS. VAN MARTER: Thank you, Your Honor.

21 BY MS. VAN MARTER: (Continuing)

22 Q Okay. So I've got Government's Attachment A back up on the
23 screen. We just went over the April 15th, April 22nd cash money
24 drops in 2015.

01:21:52 25 And I want to ask you some specific questions about August

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1 of that year, but in between them there were a couple more cash
2 money drops that occurred; is that correct?

3 A Yes.

4 THE COURT: Excuse me one second. When you say
01:22:04 5 "Attachment A," is this an exhibit now in my case or is it just
6 in the pleadings, or both?

7 MS. VAN MARTER: It has been admitted for the Court's
8 consideration.

9 THE COURT: As Exhibit 1?

01:22:15 10 MS. VAN MARTER: Yes, we'll call it Exhibit 1.

11 THE COURT: Okay. Good. Thank you.

12 BY MS. VAN MARTER: (Continuing)

13 Q So I was showing on the screen on June 2nd, 2015, an amount
14 of \$23,720.

01:22:26 15 Do you recall being involved in that cash money drop?

16 A Yes, ma'am.

17 Q Again on June 18th in the amount of 22,741 --

18 A Yes, ma'am.

19 Q -- is that correct?

01:22:36 20 And then there's some reference to an Australian drop.

21 Is that what you previously referred to regarding a
22 successful money drop that occurred at the direction of Ivan in
23 Australia?

24 A Yes, ma'am.

01:22:48 25 Q And are you also familiar if he made reference to sending

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1 an individual to Australia to assist in future cash money drops
2 in Australia?

3 A Yes, ma'am.

4 Q And do you recall who that was?

01:22:58 5 A Not the -- the name was a female that was supposed to be a
6 representative for him in Australia.

7 Q And since that time have you later learned that that was
8 the spouse of a defendant previously sentenced before this
9 Court, a Rulas Hernandez?

01:23:14 10 A I can't recall if I knew at the time that that was somebody
11 else's spouse.

12 Q I want to direct your attention to --

13 THE COURT: Excuse me just one second. Would you
14 establish the -- I can see Exhibit 1 and Attachment A and is --
01:23:33 15 is this witness familiar with the compilation of that, the data
16 that was the foundation for this timeline?

17 MS. VAN MARTER: Your Honor, I believe we previously
18 laid foundation that he reviewed it with me yesterday in regard
19 to the cash money drop data.

01:23:46 20 THE COURT: Thanks. Appreciate it.

21 BY MS. VAN MARTER: (Continuing)

22 Q Okay. My little icon is -- there we go. Okay.

23 So I'd like to draw your attention, then, to August 23rd.
24 I'm going to circle these boxes right here (indicating).

01:24:04 25 August 23rd, 2015, which references to another cash pickup or

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1 cash money drop in Vancouver.

2 Do you see what I am referring to?

3 A Yes, ma'am.

4 Q And were you familiar with that cash money drop as arranged
01:24:15 5 by Ivan in the amount of \$74,029?

6 A That's correct, ma'am.

7 Q And in that particular cash money drop, was there also
8 discussion and/or negotiation with respect to narcotics?

9 A Yes. There had been an agreement that they would provide a
01:24:30 10 sample of heroin to the RCMP UC at the time of the drop.

11 Q And when you say "a sample," did you understand what that
12 meant?

13 A It would have been a small amount just to test out the --
14 the product that he was, uh -- uh, purporting to -- to have
01:24:45 15 available, uh, for us.

16 Q And when you say "he," are you referring to Ivan?

17 A Yes.

18 Q And during those negotiations, what type of quantities were
19 you ultimately discussing with Ivan in regard to heroin?

01:24:55 20 A Well, we were discussing multiple quantities of kilograms
21 of heroin.

22 Q And was that sample supposed to be delivered on or around
23 the same time as that August 23rd cash money drop?

24 A Yes, ma'am.

01:25:08 25 Q What happened?

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1 A Uh, the subject that was meeting with the RCMP undercover
2 stated that they didn't break it up, so it was either take a
3 whole one or not. And after more discussions with Mr. Calvillo,
4 we agreed to take a full kilogram of heroin as a sample.

01:25:27 5 Q And were you required to pay for that full kilogram?

6 A Yes.

7 Q And did you, in fact, pay for it?

8 A Yes. Well, we used RCMP-appropriated funds to pay for
9 that.

01:25:37 10 Q And how much money was transferred to Ivan in payment for
11 that kilo of heroin?

12 A The agreement was, I believe, 71,000 Canadian. Upon the
13 conversion, it ended up being about 55,000 and some change.

14 Q And that original negotiation price of approximately
01:25:55 15 \$70,000 per kilogram, did that price stay consistent in future
16 conversations with the defendant, Mr. Casillas?

17 A Yes.

18 Q Was there ongoing negotiation or attempts to try and lower
19 that price?

01:26:10 20 A Yes.

21 Q And is that referenced -- is that referenced in this box
22 right up here (indicating)?

23 A Yes, that's, uh -- indicates the delivery of the kilogram
24 of heroin in Vancouver.

01:26:30 25 Q After the cash money drop was successful on August 23rd and

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1 the delivery of the kilogram of heroin, did you then have a
2 conversation with Ivan not only regarding the payment for that
3 kilogram but also the disbursement of the \$74,000 in funds?

4 A Yes, ma'am.

01:26:51 5 Q I'm going to show you a part of Government's Exhibit D, and
6 this is a screen-shot from the BBM conversation that was
7 attached in Government's Exhibit D regarding the conversation as
8 to this cash money drop.

9 Do you recognize that screen-shot?

01:27:16 10 A This one is a screen-shot of a confirmation of a wire
11 transfer of \$4,000.

12 Q I'm sorry. Let me get the right one here.

13 There we go.

14 And this screen-shot, do you recognize that?

01:27:30 15 A Uh, that screen-shot is, uh, some of the -- one of the
16 accounts that was provided by Mr. Calvillo to send the money for
17 the payment of that kilogram.

18 Q Okay. And same with this (indicating)?

19 A Yes, that's a second one that he provided, uh, for that
01:27:47 20 payment.

21 Q And this one as well (indicating)?

22 A And that's -- that's the third one he provided.

23 Q And when he provided these, did you have an issue reading
24 them?

01:27:55 25 A Yes, uh, because it was -- one of them was very blurry, so

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1 I asked him if he could send me the information via e-mail so
2 that way we wouldn't have any errors in the transfers.

3 Q And did he tell you who would be making that e-mail to you?

4 A Uh, no. He just said that he would send me an e-mail.

01:28:11 5 Q And did you receive e-mails regarding the same information?

6 A Yes, ma'am.

7 Q I'm now showing you what has also been marked as -- part of
8 Government's Attachment D.

9 Do you recognize that?

01:28:29 10 A Yes, ma'am. That's a -- a PDF, uh, document -- document
11 that shows an incoming e-mail to my undercover account from a
12 Jese Casillas which had three screen-shot PNG attachments to it.

13 Q I'm going to scroll down to Page 2 of that.

14 Do you recognize that?

01:28:50 15 A Yes, that's one of the attachments in that e-mail. That
16 would be the second attachment. And the third attachments were
17 are all, uh, account information that were being provided to
18 disburse the money for the payment of the heroin.

19 Q And was this, in essence, the same information that Ivan
01:29:13 20 attempted to send to you in the BBM that you could not read --

21 A Yes, ma'am.

22 Q -- that was previously shown as screen-shots to the Court?

23 A Yes, ma'am.

24 Q And after that period of time, did you continue to receive
01:29:28 25 e-mail communication from Jese Casillas?

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1 A Yes.

2 Q And, again, this was in August -- end of August 2015?

3 THE COURT: Excuse me a second. There was an incoming
4 e-mail from Casillas?

01:29:44 5 THE WITNESS: His name appeared on -- on the e-mail.

6 THE COURT: As a sender?

7 THE WITNESS: As a sender. For some reason the -- the
8 e-mail program would -- it created that name as Jese Casillas.
9 I don't recall the exact e-mail address name.

01:30:00 10 THE COURT: So tell me -- and that was confirmation of
11 what? A receipt?

12 THE WITNESS: No, those were when I asked Mr. Calvillo
13 to send me the -- the instructions for the disbursement for the
14 money via e-mail so I wouldn't make a mistake because I could
01:30:15 15 not read --

16 THE COURT: They were sent by Casillas.

17 THE WITNESS: Yes. Well, they were sent by that e-mail
18 address.

19 THE COURT: That e-mail address that bore his name.

01:30:23 20 THE WITNESS: That's correct, sir.

21 THE COURT: Thank you.

22 And the date was sometime in August of 2015?

23 THE WITNESS: August 26th, 2015.

24 THE COURT: Thank you.

01:30:31 25 MS. VAN MARTER: And, Your Honor, I will mark this as

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1 Government's Exhibit No. 2 entitled "Jese's e-mails" that was
2 previously included as Attachment D.

3 THE COURT: That's Exhibit 2, and that's the
4 screen-shots that we're talking about?

01:30:43 5 MS. VAN MARTER: The actual preserved e-mail attachments
6 from the Jese Casillas.

7 THE COURT: On the 26th.

8 MS. VAN MARTER: On the 26th.

9 THE COURT: Okay.

01:30:53 10 MR. VIETH: No objection, Judge.

11 THE COURT: Admitted.

12 (Government Exhibit No. 2 (also referred to as Attachment
13 D) admitted into evidence.)

14 THE COURT: You may proceed.

01:30:59 15 MS. VAN MARTER: Thank you.

16 BY MS. VAN MARTER: (Continuing)

17 Q So you indicated that you had begun to receive e-mail
18 communications at that point in time from that same e-mail; is
19 that correct?

01:31:06 20 A Yes, ma'am.

21 Q Did there come a time when you began to discuss with Ivan
22 meeting with him in person?

23 A Yes, ma'am, immediately after -- after the payment of the
24 heroin.

01:31:16 25 Q And what was the purpose of meeting in person?

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1 A Well, we wanted to negotiate for larger amounts, and
2 ultimately we wanted to draw him out to meet with us personally.

3 Q And where did you understand Ivan was located during your
4 communication?

01:31:29 5 A In Mexico.

6 Q And would he agree to leave Mexico to meet you?

7 A He would agree in Mexico, but we couldn't get authorization
8 to meet him in Mexico.

9 Q So he would agree for you to come to him, but he would not
01:31:44 10 leave Mexico to meet you; is that correct?

11 A That's correct, ma'am.

12 Q Did he ever agree at some point to send somebody to meet
13 with you in his place?

14 A Yes.

01:32:03 15 Q I am showing you a transcript of a conversation that was
16 also included in Government's Attachment E. I would like to
17 mark it as Exhibit No. 3.

18 And have you had the opportunity to review the transcripts
19 of your BBM conversations that would be utilized for Court here
01:32:22 20 today?

21 A Yes.

22 Q And have you been able to review them for accuracy as being
23 a party to the conversation?

24 A As to a part of the translation that is presented in the
01:32:33 25 document.

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1 Q I am going to scroll it down.

2 So this is from a October 9th, 2015, conversation between
3 yourself and Ivan Calvillo; is that correct?

4 A Yes, ma'am.

01:32:43 5 THE COURT: You say "conversation." You mean telephone
6 conversation?

7 MS. VAN MARTER: A BBM conversation, a BlackBerry
8 Messenger conversation.

9 THE COURT: All right. A Messenger conversation. Thank
01:32:53 10 you.

11 BY MS. VAN MARTER: (Continuing)

12 Q And is this preserved similar to what we've previously
13 shown the Court on how you captured those conversations on your
14 phone?

01:33:01 15 A Yes, ma'am.

16 Q And "IHC," as represented in this transcript, that's Ivan
17 Hernandez Calvillo; is that correct?

18 A That's correct.

19 Q Okay. I'm going to take you down to the Page 3.

01:33:12 20 During these conversations, was there a discussion as to
21 where this in-person meet was going to take place?

22 A We agreed on, uh -- in -- we agreed on Seattle, but we had
23 gone back and forth with regards to Pasco, Yakima, and other
24 locations.

01:33:29 25 Q And as represented on this portion of the transcript from

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1 Mr. Calvillo, did he actually suggest Pasco or Yakima?

2 A Yes, he did.

3 Q Going down to the next page.

4 Okay. Starting at 4:42 p.m. there is a reference by you
01:33:53 5 regarding this meet and a response by Mr. Calvillo on 4:45 p.m.

6 Could you please read that response from Mr. Calvillo.

7 A (Reading): Okay. The one you will send the e-mail to is
8 the one you're going to meet. His name is Saul. He's my
9 cousin.

01:34:12 10 Q And who did you understand Saul to be?

11 A At that point, the only reference I had was the e-mail, and
12 the only name on the e-mail was Jese Casillas.

13 Q Did you later learn who Saul was?

14 A Yes.

01:34:25 15 Q And who was Saul?

16 A That was Mr. Casillas from our meeting.

17 Q Is he in the courtroom today?

18 A Yes, ma'am.

19 Q Could you please identify where he's seated and what he's
01:34:33 20 wearing?

21 A He's the gentleman wearing the dark, uh, colored jumpsuit
22 next to counsel at the counsel table.

23 THE COURT: For the record, he's identified the
24 defendant.

25

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1 BY MS. VAN MARTER: (Continuing)

2 Q And the reference to the e-mail by Mr. Calvillo, is that
3 the previous e-mail that you had testified to that you received
4 after that August 2015 money drop?

01:34:56

5 A Yes, ma'am. That's the only e-mail I had -- had contact
6 with up to that point.

7 Q And after that point in time, then, did you make or discuss
8 with Mr. Calvillo that you would then be making arrangements
9 directly with Saul, who was later identified as Mr. Casillas?

01:35:18

10 A Uh, yes, that I would be meeting with him, and we'll have
11 the discussions. I asked him if he would be able to answer any
12 questions of the client, the client being the RCMP UC who is
13 going to be posing as the purchaser of the heroin, and he told
14 me that he would, and we ended up meeting with him.

01:35:34

15 Q Okay. And so did you have some communication, then, with
16 Mr. Casillas in order to arrange for the meeting?

17 A Yes. We then engaged in communication over WhatsApp to
18 firm up the time, the date, and the location.

19 Q And did that meeting then occur on November 7th of 2015?

01:35:51

20 A Yes, ma'am.

21 Q And where did it occur?

22 A At the Westin Hotel in Seattle.

23 Q And, again, who was supposed to be present at this meeting?

01:36:07

24 A Uh, myself and, uh, two RCMP undercovers, and Saul, or
25 Mr. Casillas.

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1 Q And who, again, were the RCMP undercover supposed to be
2 portraying?

3 A They were portraying the purchasers of the heroin, or the
4 people interested in making the purchases of the heroin.

01:36:21 5 Q And where were they supposedly from?

6 A Vancouver.

7 Q And what was your role in that meeting?

8 A I was facilitating the meeting. I was -- what I told him
9 is these are the people that I worked for -- not worked for,
01:36:32 10 that I worked money laundering contracts with, and they had
11 trust in me, and I was bringing them to the table, basically; I
12 was introducing them to Mr. Calvillo's organization.

13 Q And during the course of this meeting, were you wearing a
14 recording device?

01:36:46 15 A Yes.

16 Q And was there also a recording device outfitted in the
17 hotel room where the -- part of the meeting took place?

18 A Yes, ma'am.

19 Q Okay. So I'm going to show you what's been attached as the
01:36:57 20 video in Government's Exhibit -- or Attachment E.

21 MS. VAN MARTER: We'll call it Exhibit No. 5, Your
22 Honor. I'm not going to play the whole video. I'm just going
23 to play portions of it. And then I'll have some questions about
24 what occurred.

01:37:14 25 THE COURT: Meeting on November 7th, 2015, at the

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1 Westin.

2 MS. VAN MARTER: Correct.

3 THE COURT: Thank you.

4 BY MS. VAN MARTER: (Continuing)

01:37:21 5 Q So a portion of this video, was there a part of the
6 recording where you were traveling from the hotel room all the
7 way downstairs to the lobby?

8 A Yes, ma'am.

9 Q And who were you meeting in the lobby?

01:37:31 10 A Mr. Casillas.

11 Q Did he advise you if he was bringing somebody else to the
12 meeting?

13 A I believe he did tell me at that point that he had his
14 girlfriend with him.

01:37:39 15 Q And is this the beginning portion of some the screen-shots
16 that we previously went over regarding that meeting?

17 A What's on the screen, we're already at the coffee shop area
18 of the, uh -- of the restaurant, of the hotel.

19 MS. VAN MARTER: Your Honor, move to admit just portions
01:37:57 20 of the video for foundation.

21 THE COURT: You've already seen this, Counsel?

22 MR. VIETH: (Nodded.)

23 MS. VAN MARTER: Okay.

24 (Government Exhibit No. 5 (also referred to as Attachment
01:38:05 25 E) admitted into evidence.)

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1 (Whereupon a video clip was played.)

2 BY MS. VAN MARTER: (Continuing)

3 Q Okay. And obviously who is that on the screen?

4 A Mr. Casillas.

01:38:34 5 Q And where was his girlfriend seated?

6 A Uh, to his right.

7 Q So just off screen?

8 A I'm sorry, it would be to his left; to my right.

01:38:44 9 Q Okay. And this first portion of the meeting took place in
10 the coffee shop area of the hotel; is that correct?

11 A That's correct.

12 Q And did you intend to have a conversation with him prior to
13 meeting the, quote, unquote, bosses, or the RCMP undercovers?

14 A Yes.

01:38:57 15 Q And why did you want to have a first or initial
16 conversation with Mr. Casillas?

01:39:12 17 A Because this is the first time we are meeting, and, uh, I
18 had told, uh, Mr. Calvillo and I -- and I told him also that I
19 had told my -- the people that he was going to meet that we had
20 been working together, so we wanted to make sure that we knew
21 who each other was.

22 Q And did you also want to ensure that Mr. Casillas had the
23 authority to engage in the conversation?

01:39:29 24 A Yes. I just asked him if he was clear to, uh, to discuss
25 what we were coming to discuss, because these people are

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1 important clients.

2 Q And during this first part of the meet that occurred in the
3 lobby, did Mr. Casillas make any phone calls?

4 A Yes, he took a phone call and made a phone call, and then
01:39:41 5 he walked away. I couldn't hear what he was discussing.

6 Q And do you know who he spoke to?

7 A No.

8 Q And when he returned from that phone call, did you then
9 have this conversation about his authority to negotiate what was
01:39:52 10 going to happen during the meeting?

11 A Correct.

12 Q Okay.

13 THE COURT: Were you recording through some sort of a
14 buttonhole camera or something?

01:40:05 15 THE WITNESS: Yes, sir.

16 BY MS. VAN MARTER: (Continuing)

17 Q Have you had the opportunity to review the transcript of
18 that meeting in its entirety?

19 A As it's written in this report.

01:40:21 20 MS. VAN MARTER: I am showing that transcript that the
21 Government would move to admit as Exhibit No. 6 for the Court's
22 consideration regarding the November 7th, 2015, meet.

23 MR. VIETH: No objection.

24 THE COURT: Admitted.

01:40:30 25 (Government Exhibit No. 6 admitted into evidence.)

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1 BY MS. VAN MARTER: (Continuing)

2 Q Go down to Page 3.

3 MS. VAN MARTER: Excuse my scrolling, Your Honor.

4 BY MS. VAN MARTER: (Continuing)

01:40:42

5 Q There's a portion of the transcript being shown to you
6 where it -- kind of halfway through this large paragraph it
7 says, "I wanted to talk to you for a bit beforehand."

8 Is that that reference you were talking to about making
9 sure that he could negotiate?

01:40:58

10 A Yes.

11 Q Okay. And what was Mr. Casillas' response?

12 A Uh, my understanding is that he -- he was authorized.

13 Q Okay. And there's some references here. I think his first
14 response to you is do you already know that he wants to work.

01:41:15

15 What did that mean to you?

16 A That we wanted to get these transactions going.

17 Q And this was specific to heroin?

18 A Yes, ma'am.

19 Q And how -- was there a particular word that was utilized
20 during the course of the investigation for heroin?

01:41:25

21 A Yes, the -- the term that, uh, Mr. Casillas liked to use
22 was *pantalones*, or pant, for heroin.

23 Q Okay. I'm going to go down to the next page here.

24 And "JC" in the transcript, is that Jese Casillas?

01:41:48

25 A Yes.

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1 Q There's a statement there where he references -- let me
2 just -- right here (indicating).

3 Would you please read that into the record?

4 A Um-hmm. (Reading): Look, I came to see who I can work
5 with and how often and how much they need. About that, I send
6 the info, and they tell me how -- how much we'll price it at.

7 Q And is this in reference to what?

8 A To what the meeting was going to be about, discussing how
9 much we -- we were looking for, how much we wanted to pay, how
10 we wanted to work -- do the transactions for the heroin.

11 Q And was there a concern regarding differences of rates in
12 terms of where the product, the heroin was received?

13 A Well, it -- it was discussed with regards to where we took
14 possession of -- of the heroin. If it was in the U.S. side,
15 there was a cost; if it was in the Canadian side, there was a
16 higher cost because of the issue of transportation and crossing
17 the border.

18 Q And what did Mr. Casillas indicate to you in regard to
19 transportation of the product?

20 A Uh, that they had means to do transport into -- into
21 Vancouver. Uh, but a lot of times he kept saying -- referring
22 that he -- he needed to check with Mr. Calvillo, you know, for
23 setting the prices and -- and the locations.

24 Q Okay. And how long did you speak to Mr. Casillas, just the
25 two of you, down in the coffee shop?

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1 A Several -- ten minutes or so. Not long.

2 Q Okay. And did he indicate that he could then carry on the
3 conversation upstairs with the bosses?

4 A He never indicated to me that he could not. He -- he
01:43:20 5 was -- he was willing to -- to represent his boss.

6 Q Okay. And at some point, then, did you take the
7 conversation upstairs?

8 A Yes. Upon the arrival of the two, uh, undercover from --
9 from the RCMP, which was already staged, we took the
01:43:34 10 conversation to the room.

11 Q And have you had the opportunity to view some screen-shots
12 from the inside video camera of the hotel room meet?

13 A Yes, ma'am.

14 MS. VAN MARTER: I'll mark this as Government's Exhibit
01:43:57 15 No. 7.

16 (Government Exhibit No. 7 marked as an exhibit.)

17 BY MS. VAN MARTER: (Continuing)

18 Q Do you recognize this?

19 A Yes, that's a screen-shot from the inside of the hotel room
01:44:01 20 where the meeting took place. The gentleman to the left on --
21 on the forward is one of the RCMP UCs shaking Mr. Casillas'
22 hand.

23 Q And referred to then as Government's Exhibit No. 8, is this
24 another screen-shot of that inside hotel room meet?

01:44:21 25 (Government Exhibit No. 8 marked as an exhibit.)

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1 A Yes, ma'am. Again, to the left of the photo you see the
2 two undercover from the RCMP, myself on the right, and
3 Mr. Casillas, his back is to the photo.

4 BY MS. VAN MARTER: (Continuing)

01:44:32

5 Q And during the course of this meeting, did you have to
6 provide any translations?

7 A Yes, uh, because they were having problems communicating
8 between the two, so I acted as a translator between the UCs and
9 Mr. Casillas.

01:44:46

10 Q And approximately how long did this portion of the meeting
11 take place?

12 A We were in there for a good while; I think about an hour.

13 Q And during this meeting did Mr. Casillas make any phone
14 calls or reference his phone?

01:44:56

15 A Yes, he -- he kept texting on his phone. A lot of the
16 answers that he would give, he would text, and then he would
17 give me the answer and -- and, uh, I would transfer the answer
18 to the two undercover.

01:45:12

19 Q And I know that the transcript is now a part of the record.
20 However, could you just summarize what occurred inside of the
21 hotel room in terms of the meeting.

01:45:30

22 A Basically we were negotiating the volumes of what we were
23 looking to purchase, or what the UCs from Canada were purporting
24 to want to purchase; the price and the importance of the quality
25 of the heroin that was going to be purchased.

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1 Mr. Casillas always defaulted to Mr. Hernandez with regards
2 to setting the prices, uh, and -- but he also made assurances
3 that the quality would be of high standard, and that we would be
4 able to receive whatever we -- whatever order we -- we would
01:45:52 5 place.

6 Q And what type of quantities were discussed?

7 A We were discussing up to 50 to 100 kilograms.

8 Q Of heroin per shipment?

9 A Not per shipment. We were saying that, you know, that that
01:46:05 10 was the -- the amounts that we could move.

11 Q And did Mr. Casillas indicate there would be any difficulty
12 in providing the 50 to 100 kilos?

13 A No, not that there was any difficulty, but he also always
14 defaulted to Mr. Hernandez Calvillo in order to -- of what could
01:46:23 15 actually be delivered, what the prices would actually be.

16 Q And did they agree to alter the price in any way based on
17 the quantity?

18 A After a long discussion back and forth with regards to the
19 amounts, where it could be taken place, the price was arrived to
01:46:36 20 about 70,000 per kilogram.

21 Q And that was --

22 A To start. To start.

23 Q And was that consistent with the previously delivered
24 sample --

01:46:45 25 A Yes, ma'am.

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1 Q -- arranged by Mr. Casillas?

2 A Yes.

3 THE COURT: You keep saying -- you repeated
4 "Mr. Hernandez."

01:46:50 5 Who was that and --

6 THE WITNESS: Hernandez Calvillo. It was Hernandez
7 Calvillo.

8 THE COURT: -- where was --

9 Is this Ivan or is this --

01:46:57 10 THE WITNESS: Ivan.

11 THE COURT: Okay. Thank you. Because I want to make
12 sure the transcript reflects that we're talking about the same
13 person.

14 THE WITNESS: If you'd like, Your Honor, I will keep
01:47:06 15 referring to him as Ivan.

16 THE COURT: I think it's easier if you do.

17 THE WITNESS: Okay.

18 BY MS. VAN MARTER: (Continuing)

19 Q So just for matter of the record, whenever you referred to
01:47:11 20 Mr. Hernandez, you were referring to Ivan; is that correct?

21 A That's correct, ma'am.

22 THE COURT: And by "Ivan," you mean Ivan Calvillo every
23 time you say Ivan?

24 THE WITNESS: Yes, sir.

01:47:22 25 THE COURT: Thank you.

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1 MS. VAN MARTER: Thank you.

2 BY MS. VAN MARTER: (Continuing)

3 Q So how did this meeting end?

01:47:26

4 A We agreed on the price and then that we would talk again
5 with regards to when we were going to start.

6 Q Okay. All right. So after this face-to-face meeting, did
7 you continue to engage in conversation with both Ivan and
8 Mr. Casillas regarding continued money drops?

9 A Yes, ma'am.

01:47:59

10 Q And did there come a time that you learned that Ivan was no
11 longer around?

12 A Yes.

13 Q And when did you learn that?

14 A Uh, in December when he was murdered.

01:48:10

15 Q And how did you learn that Ivan was murdered?

16 A Uh, Mr. Casillas told me.

17 Q And how did he communicate with you?

18 A Through WhatsApp.

19 Q And what did he advise you?

01:48:19

20 A Uh, he told me that Cholo had been killed. Uh, he was very
21 broken up about it, um, and that, uh, you know, he wanted to see
22 how things were going to fall out after that.

23 Q Were you also receiving any communications or contacts from
24 anybody else in Ivan's organization at that time?

01:48:36

25 A Yes. After his murder, I started receiving, uh,

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1 communications on his old phone, contacting my old, uh,
2 BlackBerry Messenger that I used to use with him.

3 THE COURT: So somebody that you didn't know was using
4 his phone.

01:48:51 5 THE WITNESS: Yes.

6 THE COURT: And you knew he was dead.

7 THE WITNESS: He was -- yeah, I knew he was dead, so
8 somebody had his phone and was --

9 THE COURT: So somebody else was using his phone.

01:48:59 10 THE WITNESS: Yes.

11 THE COURT: Thank you.

12 BY MS. VAN MARTER: (Continuing)

13 Q And did you respond to those requests for communication?

14 A Yes. Yes, I engaged him.

01:49:04 15 Q And did you also contact Mr. Casillas regarding being
16 contacted by one of Ivan's phones?

17 A Yes, because, uh, the person on the phone wanted to get in
18 contact with Mr. Casillas. He didn't refer to him as
19 Mr. Casillas, but he would -- they were trying to locate some
01:49:21 20 money that was still outstanding from the very last, uh, money
21 pickup that we had received and an accounting of where all the
22 money went.

23 So I told him that I didn't know who he was; I'm not at
24 liberty to tell him about it, or tell him about Mr. Casillas.
01:49:37 25 So after I finished that conversation, I contacted Mr. Casillas,

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1 and I told him that there were -- they were looking to talk to
2 him.

3 Q And how did Mr. Casillas respond?

4 A Um, at that time, you know, he was still trying to figure
01:49:49 5 out what -- what was happening. Uh, he said that, uh, some --
6 some people down in Mexico were trying to claim ownership to --
7 to the money that was outstanding; uh, that there was a lot of
8 turmoil over his death; uh, everybody was trying to collect on
9 money that supposedly he owed; and also that people that he had
01:50:08 10 delivered drugs to were also reneging on paying or saying they
11 had paid.

12 So there was a lot of confusion and a lot of, uh, contact
13 going back and forth over those issues.

14 Q So did he feel that people were taking advantage of Ivan's
01:50:23 15 death and --

16 A Yes.

17 Q -- not paying debts?

18 A Yes. And he also changed his number. Uh, he changed his
19 WhatsApp number, I think, once.

01:50:31 20 THE COURT: Who is "he"?

21 THE WITNESS: Mr. Casillas.

22 BY MS. VAN MARTER: (Continuing)

23 Q Was there ultimately a resolution about who you were
24 supposed to communicate with after some of the chaos settled
01:50:41 25 down?

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1 A Well, once the chaos settled down, I began to receive the
2 instructions from Mr. Casillas for the money that was remaining
3 and then from that point forward.

4 Q And did he indicate to you that he would now be the point
5 of contact for you?

01:50:52

6 A Uh, not in those -- in those words. I mean, basically he
7 provided the -- the account information with regards to the
8 money that was still outstanding. That went to as he requested,
9 and then later on we began to get into contact with regards to
10 doing other things with what he was referring to as a new boss
11 that he was working with.

01:51:10

12 Q And did he ever refer to this new boss by name?

13 A Uh, at one point he referred to him as *compadre*, and
14 that -- supposedly that was the person that was trying to
15 contact me on the BBM.

01:51:25

16 Q At this point in the investigation, what was your focus,
17 then, now that Ivan was no longer in the picture?

18 A Well, uh, it kind of threw us for a loop because we had
19 worked so hard to try and get into -- directly with Ivan. The
20 only thing we had left is to try and communicate with this new
21 *compadre* and try to establish a relationship with him, you know,
22 to find out who he was and continue to tie it to the
23 organization.

01:51:44

24 Q And --

01:51:58

25 THE COURT: Does *compadre* translate to "buddy" or "pal"

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1 or --

2 THE WITNESS: It's -- yes, sort of like that, Your
3 Honor.

4 BY MS. VAN MARTER: (Continuing)

01:52:06 5 Q And your only communication or avenue to *compadre* at that
6 time was Mr. Casillas?

7 A Yes.

8 Q Were you able, then, to set up a second face-to-face
9 meeting with Mr. Casillas?

01:52:19 10 A Yes.

11 Q And who requested that meeting?

12 A I believe he did.

13 Q And why -- why did he request the meeting?

14 A Because he wanted to, uh -- for me to explain to him in
01:52:31 15 detail with regards to how the money movements worked and the
16 charges and stuff like that.

17 Q And why did he need you to explain that to him?

18 A Because we ended up, uh -- uh, doing pickups on behalf of
19 *compadre's* organization. Um, we had done some of them prior to
01:52:47 20 this, while we were working with, uh, Mr. -- Ivan. Uh, he had
21 told me that he had friends, and he was doing some of the
22 pickups on behalf of his friends. And Mr. Casillas had told me
23 that this is the *compadre* that we had been working with before,
24 and he wanted me to explain to him exactly how things worked.

01:53:07 25 Q And based upon your communications with Mr. Casillas, did

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1 it become clear to you that Ivan had not shared those details --

2 A Yes.

3 Q -- with Mr. Casillas?

4 A Yes, he actually -- I mean, he himself told me that Ivan

01:53:21 5 would keep him in the dark; that basically he would -- and
6 during that conversation in, uh -- in January, he -- he told me
7 that at the time of the first meeting, when we met with the RCMP
8 undercovers, he was upset because Ivan just told him to go meet
9 us and find out what is it that we wanted and did not give him
01:53:40 10 details, and that's why he couldn't answer some of the questions
11 that were being posed to him during the meeting.

12 Q And on the January meet, then, he wanted those details?

13 A Yes. Well, he wanted to understand how I worked. He
14 wanted to understand what the charges would be. He wanted to
01:53:55 15 understand where I could work, where I could receive money, and
16 how I could move the money, uh, so that he could relay that to
17 his new boss.

18 Q Okay. And where did this meeting take place on
19 January 29th?

01:54:07 20 A It took place in Seattle, uh, at the Metropolitan, uh,
21 restaurant.

22 Q And who was supposed to be present?

23 A Uh, myself and Mr. Casillas.

24 Q And did other individuals arrive with Mr. Casillas?

01:54:18 25 A Yes, one of, uh, Ivan's ex-wives, uh, arrived.

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1 Q And have you had the opportunity to review screen-shots
2 from surveillance as to that meeting?

3 A Yes, ma'am.

4 Q Do you recognize what's on the screen, the photograph from
01:54:36 5 Government's Attachment F? We'll make this Government's Exhibit
6 No. 8.

7 A Yes, those -- that is Mr. Casillas, uh, the young lady that
8 attended the meeting also, and her son.

9 Q And is that the woman you referred to as one of Ivan's
01:54:50 10 wives?

11 A Yes, ex-wife, I believe.

12 Q And have you also had the opportunity to review the
13 transcript from that meeting with Mr. Casillas, Ms. Mendoza, and
14 obviously the child that was present?

01:55:02 15 A Yes, as it was represented in the document.

16 THE COURTROOM DEPUTY: Ms. Van Marter, you had already
17 used No. 8. So can that be No. 9?

18 MS. VAN MARTER: Oh, No. 9, please. Thank you.

19 (Government Exhibit No. 9 marked as an exhibit.)

01:55:27 20 BY MS. VAN MARTER: (Continuing)

21 Q I am showing you what -- that specific transcript, we'll
22 mark it as Government's Exhibit 10, the transcript from the
23 January 29th, 2016, meeting that you previously reviewed for
24 purposes of this hearing today.

01:55:40 25 A Yes, ma'am.

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1 THE COURT: This is audio only or audio/video?

2 MS. VAN MARTER: This is just the transcript, Your
3 Honor.

4 THE COURT: Is it a transcript of an audiotape? Is that
5 the idea?

01:55:50

6 MS. VAN MARTER: No, it's a transcript -- yes, a
7 transcript of the audio/videotape from that day.

8 (Government Exhibit No. 10 marked as an exhibit.)

9 BY MS. VAN MARTER: (Continuing)

01:55:55

10 Q Were you wearing the same type of body wire recording
11 device during this meeting?

12 A Yes, ma'am.

13 THE COURT: Pocket camera or just recording device,
14 audio recording?

01:56:06

15 THE WITNESS: Uh, audio -- camera -- video/audio
16 recording.

17 THE COURT: Okay. Video/audio. Okay.

18 BY MS. VAN MARTER: (Continuing)

01:56:16

19 Q I'll scroll down to -- we're going to highlight a couple of
20 pages. But during this conversation, you already testified that
21 Mr. Casillas had made reference to the fact that Ivan had kept
22 him out of certain details.

01:56:29

23 If you could provide a summary to the Court as to the
24 nature of the conversation that occurred with Mr. Casillas
25 during this meet.

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1 THE WITNESS: Um, basically, Your Honor, we discussed,
2 uh, how I managed the money laundering end of the operations,
3 uh, how much I charged, what cities and what countries I could
4 work in. Um, we discussed past pickups that I had done for, uh,
01:56:47 5 Ivan and in the locations where I had done them. Uh, we
6 discussed, uh, the need -- that I would have the need to have
7 him provide, or his boss provide accounts for me to -- to send
8 the money to, upon their orders. Um, we discussed the timing,
9 how long it would take to -- from receiving the money to sending
01:57:08 10 the money out, how would we work the -- the conversion rates;
11 um, all the different little aspects that -- that I previously
12 discussed with Ivan.

13 We also discussed, um -- uh, reviving the deal with what
14 we referred to as *viejito*, which was the two undercover from --
01:57:29 15 from Canada. Um, he told me that his new boss operated much
16 stronger than Ivan, and that he -- he could provide the heroin
17 that they were looking for. Um, we had some discussions with
18 regards to the prices. Um, and we also discussed, um -- uh,
19 other drugs with regards to meth and also OxyContin pills I
01:57:58 20 believe we discussed.

21 Q And during the entirety of this meeting that occurred on
22 January 29th, did Mr. Casillas make any phone calls?

23 A No, he did not.

24 Q Did he have to -- did he receive any information on his
01:58:10 25 phone during the negotiations with you?

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1 A No, he did not.

2 Q So he freely had this conversation and negotiation with you
3 without making contact or reference to the boss?

4 A No. Although when -- with regards to the -- to settling
01:58:27 5 down on actual amounts and actual, uh, prices, he said that he
6 would obviously have to check with -- with his boss as to -- to
7 confirm what prices, uh, would be charged, but that he did say
8 that the prices would vary depending on where the drugs would be
9 received; will it be in the U.S. or in Canada.

01:58:50 10 Q And, again, why would those prices vary depending where you
11 receive the drugs?

12 A Again, it's transportation costs as well as crossing the
13 border into another country.

14 Q So is it more expensive to receive it in Canada?

01:59:02 15 A Yes, it would be.

16 Q In order to cover transportation costs.

17 A Yes. Although with the exchange rate, sometimes it ended
18 up being almost the same.

19 Q And during this conversation, what quantities was
01:59:14 20 Mr. Casillas discussing with you?

21 A Well, what I was reminding him is, as we discussed with the
22 *viejito*, which would be the two, uh, undercover from -- from
23 Canada who he had met, that I wanted him to understand that
24 we're not talking 5, 10, or 15; we're talking 50 to
01:59:32 25 100 kilograms.

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1 Q And what was his response?

2 A He said that his new boss could handle that.

3 Q And pricing?

4 A Pricing?

01:59:40 5 Q What kind of pricing did he discuss?

6 A Again, the pricing, uh, we -- the discussions were that the
7 price would be a little higher than -- than what he paid, but
8 what he was saying was that the new product would be a much
9 better quality and that his understanding was that if he -- the
01:59:59 10 *viejito*, meaning the Vancouver purchasers, liked what they
11 received the last time, they would really love what they had to
12 offer this time because it's better quality.

13 Q Did he also make reference to outstanding debts or losses
14 in Canada?

02:00:15 15 A Yes, he had discussed that, uh -- uh, talked about because
16 of Ivan's murder, there were people in Canada that were refusing
17 to pay or claiming that they had paid. So that was one of the
18 issues that he was dealing with, and, uh, one of -- I believe he
19 was saying that, uh, there was one person who owed about
02:00:38 20 \$300,000 that they had said was seized by the police, but they
21 had not provided any documentation about the seizure. So he was
22 investigating that, or having people that were already up there
23 on behalf of his boss investigating what happened to that money.

24 Q And based upon your information regarding this
02:00:56 25 investigation and its coordination with the RCMP, were you aware

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1 if the RCMP had made any substantial seizures, monetary seizures
2 with respect to this case?

3 A Yes, ma'am.

4 THE COURT: 50 to 100 kilograms, was that of a specific
02:01:10 5 drug or just a variety of drugs?

6 THE WITNESS: Of heroin, Your Honor.

7 THE COURT: Of heroin. Okay. Thank you.

8 BY MS. VAN MARTER: (Continuing)

9 Q And specific to the methamphetamine, was there a
02:01:17 10 conversation regarding quantity?

11 A Uh, with regards to methamphetamine, it was, uh -- there
12 was talk with regards to having some shipped to the East Coast,
13 and, uh, the quantities, I can't remember if we got into it, but
14 I was telling him that if I had a sample, I could show to
02:01:36 15 people, and then we could put, uh, together a -- a shipment
16 request of, I think, maybe 10 to 20 kilograms.

17 Q And was that the beginning conversation that ultimately led
18 to the delivery of a sample of methamphetamine by Mr. Casillas?

19 A Yes.

02:01:49 20 Q And that methamphetamine was intended for who?

21 A Uh, for me in -- in Boston.

22 Q And during the time of this meeting, when was it that you
23 learned that the female present was one of Ivan's wives?

24 A During the conversation with her.

02:02:12 25 Q And did you have an understanding as to why she was there?

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1 A No, I don't believe so, not -- not at that point if I
2 really knew why she was there --

3 Q Did you later --

4 A -- other than to accompany him.

02:02:24 5 Q I apologize.

6 A Other than accompanying him.

7 Q Did you later come to learn why she might have been present
8 during that meeting?

9 A I can't recall.

02:02:33 10 Q So how did you leave the meeting with Mr. Casillas, then,
11 on January 29th?

12 A We just agreed to remain in touch and work on details
13 regarding what we had discussed there in regards to me providing
14 him the service of money laundering activity and also
02:02:48 15 re-establishing the deal that we had discussed with the two
16 Vancouver undercovers.

17 Q And I neglected to ask, did you try and negotiate another
18 meeting or some type of contact with his boss?

19 A In -- in -- yes. During the whole conversation I told him
02:03:04 20 that I was willing to present myself and meet with his boss
21 and -- and explain situations on his behalf and in regards to
22 the behalf to whatever was owed from pickups that I was part of.
23 So I always offered myself to be able to interject on his behalf
24 to his boss.

02:03:22 25 Q And what was Mr. Casillas' response?

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1 A Uh, he never allowed me to do that.

2 Q Did he tell you why?

3 A No.

4 Q At any point in time did he make reference about being
02:03:32 5 concerned about being cut out if you were to meet the boss?

6 A Only one -- in one, uh, reference in -- I just couldn't
7 remember which conversation, in which I kept pressing that, you
8 know, I was willing to meet his boss and -- and to see with
9 regards to all of the aspects of what we were doing, and he had
02:03:49 10 made references "where would I be if you start working with
11 him?"

12 Q And so did Mr. Casillas ever give you access to his boss?

13 A No.

14 Q From that point forward, then, did you -- did Mr. Casillas
02:04:05 15 arrange the money drops --

16 A Yes.

17 Q -- with you?

18 A (Nodded.)

19 Q Okay. So there is a reference on the screen beginning, I
02:04:25 20 believe, February 24th of 2016.

21 THE COURT: Which exhibit?

22 MS. VAN MARTER: This is Exhibit 1.

23 THE COURT: Thank you.

24 BY MS. VAN MARTER: (Continuing)

02:04:38 25 Q I believe these references right here (indicating).

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1 Do those reference the first money drops directed by
2 Mr. Casillas without the presence of Ivan?

3 A Yes, ma'am.

4 Q And so February 24th, 2016, 120,580 in Kansas City?

02:04:57 5 A Yes, ma'am.

6 Q On March 1st, 2016, was money then directed to be delivered
7 to an individual in Los Angeles?

8 A Yes, ma'am.

9 Q From the Kansas City pickup?

02:05:10 10 A That's correct.

11 Q And then a money drop on March 1st, 2016, approximately
12 46,950 in Canadian currency and \$7,000 in U.S. currency?

13 A Yes, ma'am.

14 Q Prior to Mr. Casillas getting involved, when you were
02:05:41 15 dealing directly with Ivan, were most of those money drops, did
16 most of those occur up in Canada?

17 A We had done most -- most of the pickups in Canada, yes.

18 Q And obviously the one in Australia we referenced.

19 A Correct.

02:05:53 20 Q When Mr. Casillas became involved, was it more frequent
21 there were money drops that occurred in the United States as
22 well?

23 A Yes, ma'am.

24 Q There is -- referring to this section here (indicating), is
02:06:09 25 there also another money drop April 13th, 2016, that involved a

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1 transfer of funds to an individual in the Los Angeles area?

2 A Yes. That was from a pickup in New York.

3 Q And specific to that particular transfer of funds, who
4 directed that the funds were then to be taken to an individual
5 in Los Angeles?

02:06:28

6 A Uh, Mr. Casillas.

7 Q And what occurred with that particular transfer of funds to
8 the individual in Los Angeles?

9 A We staged a wall-off seizure of the money once it was
10 delivered.

02:06:39

11 Q And what do you mean by that?

12 A Uh, once the money was delivered a, uh, cruiser or a
13 uniform patrol cruiser stopped the subject that received the
14 money and made a seizure of the -- of the money that he was
15 delivered.

02:06:51

16 Q And during -- after this seizure of funds, were you in
17 communication with Mr. Casillas?

18 A Yes.

19 Q And what happened?

20 A Uh, he was very upset because, uh, of the seizure, and that
21 he needed to provide documentation to his boss so that they
22 wouldn't think that he was stealing the money. And, also, that
23 they believed that the person that I was using to deliver the
24 money may -- may have caused the -- the seizure.

02:07:03

25 Q And who did he want to provide proof regarding the seizure?

02:07:23

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1 A Me and -- and the person that actually delivered the money.

2 Q And during these conversations, did he indicate that he was
3 accountable?

4 A Yes, that, uh, he was being held accountable for that money
02:07:41 5 loss because the money got -- got seized from his -- his -- his
6 person, the person that he, uh, elected to receive that money.
7 He even said that if that money had been transferred to the next
8 spot, then he wouldn't have been liable for it.

9 Q But because it was directly seized from his person, he was
02:07:59 10 liable?

11 A That's correct.

12 Q And did you understand when -- what did that mean to you,
13 when he said his person?

14 A I'm sorry?

02:08:08 15 Q What did that mean to you when he referred to it as his
16 person?

17 A Uh, Mr. Rosales, an individual that -- that he provided
18 contact to me as the person who was going to receive the money.

19 Q Okay. And were you able to provide proof to Mr. Casillas
02:08:23 20 regarding that seizure?

21 THE WITNESS: What I did is, Your Honor, we provided a
22 police report detailing the stop and the seizure. It was not a
23 detailed report of the whole investigation but only as it
24 applied to the officer stopping the car and seizing the money.

02:08:38 25 THE COURT: Did he ask you how you got that?

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1 THE WITNESS: Uh, he -- I told him that I had contacts
2 with an attorney that could try to go and get the information
3 from the police department.

4 THE COURT: And how much was involved?

02:08:48 5 THE WITNESS: 246,000 or so.

6 THE COURT: Okay. And did they let the carrier go?

7 THE WITNESS: Yes. He was identified, fully identified
8 and then allowed to -- to leave.

9 THE COURT: Okay.

02:09:10 10 MS. VAN MARTER: And that is, Your Honor, for reference
11 of the record, that is co-defendant in this matter who has
12 already been sentenced, received the money pickup.

13 THE COURT: Okay.

14 MS. VAN MARTER: That is referenced right here
02:09:27 15 (indicating). That's co-defendant Julio Cesar Rosales.

16 Sorry. I'm trying to pull up the receipt.

17 Mark this -- what number did I leave off with, 11?

18 THE COURTROOM DEPUTY: Yes.

19 MS. VAN MARTER: -- as Government's Exhibit No. 12.

02:10:01 20 THE COURTROOM DEPUTY: I'm sorry. You're on No. 11.

21 MS. VAN MARTER: I'm on No. 11. Exhibit 11. Excuse me.
22 (Government Exhibit No. 11 marked as an exhibit.)

23 BY MS. VAN MARTER: (Continuing)

24 Q And do you recognize this?

02:10:07 25 A Yes. This is the Southgate Police Department report,

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1 incident report that we provided as proof of the seizure.

2 Q To Mr. Casillas?

3 A Yes, ma'am.

4 Q And Page 2 of Government's Exhibit No. 11?

02:10:25 5 A It's a receipt of cash, uh, from -- that was seized, that
6 was provided to Mr. Rosales.

7 Q And in your training and experience in working with these
8 organizations, when there is a large cash seizure such as this,
9 do they often seek or request some type of proof that it was
02:10:45 10 taken by law enforcement?

11 A Yes, they do.

12 Q Okay. I'm going to direct your attention, then, to
13 another, or a third or final face-to-face meet that you had with
14 Mr. Casillas around May 17th, 2018.

02:11:07 15 Do you recall that?

16 A Yes, ma'am.

17 Q And where did that occur?

18 A In -- in the Seattle area, greater Seattle area. Uh, the
19 Breeze, uh -- South Breeze restaurant, I believe.

02:11:17 20 Q Okay. And what was the purpose of this meeting?

21 A Uh, we had agreed, through other conversations, that I was
22 going to get the -- the Canadian clients to come down again so
23 we could sit down and renegotiate the purchase of the heroin,
24 and also I was going to receive the, uh -- the meth sample that
02:11:37 25 he would bring personally to that meeting.

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1 Q And who did attend that meeting?

2 A Uh, myself, uh, and one of the, uh, two RCMP undercover
3 that was in the original meeting, and Mr. Casillas.

4 Q And what happened during that meeting?

02:11:52 5 A Again we had discussions with regards to -- to, uh, the
6 heroin, uh, shipments that they were looking to purchase. Uh,
7 we had discussions as to the prices. We had discussions as to
8 the location that the heroin would be received, and upon
9 agreement, uh, we decided to start, uh, I believe with about
02:12:14 10 ten, and that they would be received in the, uh, Seattle side or
11 the U.S. side of the border in Seattle.

12 Q And when you said the negotiations were for about ten, ten
13 what?

14 A Ten kilograms of heroin.

02:12:29 15 Q And during this meeting, did you again have a recording
16 device that recorded the entirety of the meeting?

17 A Yes, ma'am.

18 Q And have you had the opportunity to review the transcript
19 of -- of that meeting as captured on the recording device?

02:12:42 20 A Yes. As -- as presented in that report, yes.

21 Q And during the course of that -- well, where did the
22 majority of that meeting take place?

23 A It took place in -- inside of the restaurant and in the
24 parking lot, or the majority took place inside the restaurant.

02:12:56 25 Q And what occurred outside in the parking lot?

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02:13:14 1 A Uh, I met with him prior to coming inside, and we took
2 possession of the kilogram of, uh, meth. We had another
3 undercover, uh, outside that was playing as -- as an associate
4 of mine, and he took possession of the meth and drove it outside
5 of the area. Then we continued our meeting inside.

6 Q And did Mr. Casillas bring the quantity of methamphetamine
7 himself?

8 A Uh, he came with a couple of individuals. I think he was
9 in a separate car. I'm not sure because I wasn't outside. Uh,
02:13:29 10 but the meth was in another vehicle with two other occupants.

11 Q And did you know who those other occupants were?

12 A I -- I just can't remember at this time. I think they were
13 identified.

14 Q And based on your training and experience with individuals
02:13:42 15 who are engaged in this level of trafficking, do they often
16 transport their own product?

17 A Some do, some don't. I mean, it -- in all honesty, it
18 depends on -- on what they -- they feel they're willing to do.

19 Q And why wouldn't they transport their own product?

02:14:00 20 A If -- if they choose to have, uh, other people to do it,
21 it's for, you know, protection, to -- to remove themselves from
22 any potential seizure.

23 Q So after you obtained the kilogram sample of
24 methamphetamine, did the meeting move inside the restaurant?

02:14:15 25 A Yes, ma'am.

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1 Q And how long did that meeting take place?

2 A It took about another 30, 40 minutes or so.

3 Q And during this meeting, did Mr. Casillas make any phone
4 calls?

02:14:26 5 A Not in my presence.

6 Q Did he refer to his phone in any way, like he did the very
7 first meeting when Mr. -- when Ivan was alive?

8 A No, he did not.

9 Q And was he able to freely negotiate with you the continued
02:14:39 10 transaction with a Canadian boss?

11 A Yes, ma'am.

12 Q And was there a discussion or agreement as to price?

13 A Uh, the -- I think the prices that was agreed to would be
14 in dollars upon delivery in, uh -- in Seattle, and I think it
02:14:56 15 was from 60,000 or something like that.

16 Q Per kilogram of heroin?

17 A Per kilogram of heroin, yes.

18 Q And was there ever a discussion regarding price as to the
19 methamphetamine?

02:15:08 20 A Uh, well, I had to pay for the -- the kilogram that I
21 received, and I think it was around 9,000, close to \$9,000.

22 Q In U.S. currency?

23 A In U.S. currency.

24 Q And, again, he had indicated an initial quantity of how
02:15:25 25 much would be delivered?

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1 A Uh, ten kilograms, I believe.

2 Q Okay. And then after that, was there a discussion about
3 how the quantity would change?

4 A Um, I think it was when the delivery was going to take
02:15:36 5 place, that they said there was 12, if we would take all 12; and
6 we accepted all 12.

7 Q And was there any discussion in a price reduction if there
8 was an increase in quantity, as the relationship continued?

9 A We -- I'm sure we had those discussions. I can't remember
02:15:53 10 if there was anything said.

11 Q And how were you to pay for the sample of methamphetamine?

12 A I told him to provide me an account, and I would send him
13 the accounts [sic].

14 Q And did Mr. Casillas provide you those accounts?

02:16:07 15 A Yes.

16 Q And what happened after that last face-to-face meeting?

17 A Um, again, after the agreements, he went his way, we went
18 ours, and, uh, we remained in contact.

19 Q And were there additional money drops that occurred?

02:16:25 20 A I believe -- I believe so.

21 Q Okay. I'm going to show you again Government's Exhibit
22 No. 1.

23 Starting here, moving this way (indicating), did
24 Mr. Casillas then direct money to be delivered again in
02:16:45 25 Los Angeles on June 3rd, 2016?

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1 A Yes.

2 Q I'm sorry. I apologize. I missed the May. After --
3 excuse me -- the May 26th money drop that occurred in Vancouver?

4 A Correct.

02:17:01 5 Q For approximately 225,070?

6 A That's correct.

7 Q And then there was another cash pickup June 28th, 2016; is
8 that correct?

9 A Yes, ma'am.

02:17:13 10 Q Amount of 143,175?

11 A Yes, ma'am.

12 Q Okay. And again on July 13th, 2016, in the amount of
13 69,412?

14 A Yes, ma'am.

02:17:26 15 Q And is this all in Canadian currency?

16 A Correct.

17 Q And, again, Mr. Casillas on July 25th, 2016, requested sums
18 of cash to be delivered in Los Angeles?

19 A Yes, ma'am.

02:17:42 20 Q And were those the money drops that occurred between the
21 last face-to-face meeting and then what ultimately was a
22 transaction involving those 12 kilograms that you previously
23 referenced --

24 A Yes, ma'am.

02:17:54 25 Q -- in August of 2016?

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1 A (Nodded.)

2 Q What was your role in that last negotiation of those --
3 that quantity of -- of heroin?

4 A Again, I was acting as someone that -- that was
02:18:06 5 introducing, uh, the clients from -- from Vancouver, and that I
6 would be handling the -- the payment for the drugs through my
7 money laundering activities.

8 Q And you would be paying who? Did you know?

9 A I would be paying, uh, whoever Mr. Casillas told me to send
02:18:25 10 the money to, which I believe would have been through his new
11 boss.

12 Q And the negotiations, you said, changed -- or changed from
13 10 kilograms to 12 kilograms?

14 A Yes, they -- they said that they had 12; if we could take
02:18:41 15 all 12.

16 Q And during these conversations, was it always of heroin?

17 A Yes.

18 Q Had you ever heard a negotiation or discussion of fentanyl?

19 A We never called it fentanyl. We never used that word.

02:18:54 20 Only used it as heroin.

21 Q And at this point, in 2016, was fentanyl a relatively new
22 substance in terms of the narcotics trade?

23 A Yes.

24 Q So at the time of the negotiations, did you have any idea
02:19:08 25 that fentanyl might be involved?

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1 A No.

2 Q And does that change the manner of operations with law
3 enforcement?

4 A It would based on, uh, just safety issues.

02:19:18 5 Q And during your communications with Mr. Casillas, did you
6 ever speak to anybody else in the organization regarding this
7 transaction other than Mr. Casillas?

8 A No. I offered several times to try and to see, both on the
9 issue with the seizure, on the issue with the negotiations, and
02:19:35 10 I was never allowed to speak to anyone else but him.

11 Q And did you then communicate with law enforcement here in
12 this district, as well as Seattle, regarding that ultimate
13 delivery?

14 A Yes, both, uh, with -- with the people in this district,
02:19:50 15 Seattle, and also with the RCMP because they were taking a part
16 in it.

17 Q And did Mr. Casillas indicate to you, in terms of
18 transportation of that quantity, how he was going to get it to
19 Seattle?

02:20:00 20 A Um, we didn't discuss that personally. Uh, the only, uh,
21 discussion we had was when he was -- when they were en route up
22 there, he wanted to make sure that, uh, that people were ready,
23 because they didn't want to sit around waiting with that,
24 wherever he had it. He wasn't telling me where he had it but
02:20:19 25 that he was en route.

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1 Q And were you aware at that point in time that law
2 enforcement here in this district had eyes on his personal
3 residence and other associates?

4 A Yes, ma'am.

02:20:28 5 Q And then obviously communicated that to the task force here
6 in the Eastern District?

7 A Yes, ma'am.

8 THE COURT: So you're talking about there were eyes on
9 Mr. Casillas' residence here in the Tri-Cities?

02:20:40 10 THE WITNESS: Yes, there was -- they were --

11 THE COURT: They were doing surveillance.

12 THE WITNESS: They were doing surveillance here, yes, on
13 that whole episode.

14 BY MS. VAN MARTER: (Continuing)

02:20:47 15 Q And so, therefore, your communications in terms of the
16 product being on its way was communicated to the people
17 conducting surveillance of Mr. Casillas.

18 A Yes, ma'am.

19 Q And were you then made aware if the transaction was
02:20:59 20 completed in Seattle?

21 A Yes, ma'am.

22 Q Were you in Boston during that time?

23 A Yes, ma'am.

24 Q And then were you aware that after that, or shortly
02:21:06 25 thereafter, Mr. Casillas was arrested?

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1 A Yes, ma'am.

2 Q And obviously your communications ended at that point in
3 time.

4 A That's correct.

02:21:13 5 MS. VAN MARTER: Your Honor, may I have a moment?

6 THE COURT: Yes, you may.

7 (Counsel conferring.)

8 THE COURT: Let's take a stretch at this time.

9 Have you finished with this witness on direct?

02:21:36 10 MS. VAN MARTER: Your Honor, I'm finished with this
11 witness.

12 THE COURT: Let's all stand up and take a stretch now.

13 THE COURTROOM DEPUTY: Ms. Van Marter, you have not
14 moved to admit all of the exhibits.

02:21:48 15 Did you intend to do that?

16 (Counsel and courtroom deputy conferring.)

17 MS. VAN MARTER: Your Honor, the United States would
18 just formally -- I know Exhibits 1 through 4, I think, were
19 already admitted, but we would move to admit all exhibits,
02:21:56 20 Nos. 1 through 11 for the record.

21 MR. VIETH: No objection, Judge.

22 THE COURT: All admitted.

23 THE COURTROOM DEPUTY: Exhibit No. 4, that number was
24 skipped. I thought maybe you were going to come back to it.

02:22:06 25 MS. VAN MARTER: Oh, no. Then just 1 through 3 and then

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1 5 through 11.

2 THE COURTROOM DEPUTY: Just for the record.

3 MS. VAN MARTER: Thank you.

4 (Government Exhibit Nos. 1-3, 5-11 admitted into evidence.)

02:22:18 5 THE COURT: Are you ready?

6 MR. VIETH: Yes, Judge. Are we going to take a break
7 or are we going to --

8 THE COURT: We are taking a break, unless somebody needs
9 more of a break, and I will take one.

02:22:26 10 MR. VIETH: No, Judge, I'm ready.

11 THE COURT: Okay. Let's do it.

12 (Counsel conferring.)

13

14 CROSS-EXAMINATION

02:22:42 15 BY MR. VIETH:

16 Q Good afternoon, sir.

17 A Good afternoon, Counsel.

18 Q Mr. "Cap-PAIR-o"?

19 A "Sip-PAIR-o".

02:22:53 20 Q Cepero. Okay.

21 A That works.

22 Q Mr. Cepero, you've got 38 years of law enforcement
23 experience, right?

24 A You're making me older than I am; 35 going on 36.

02:23:02 25 Q 35. All right.

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1 A Yes.

2 Q And 18 of those you've been helping out the DEA on money
3 laundering cases?

4 A Yes, sir.

02:23:12 5 Q How many money laundering investigations, at least over the
6 last 18 years, have you been involved with?

7 A Oh. Uh, since I started in the FIT group I have, oh, my
8 goodness, at least 20 different operations. But involved in --
9 uh, I've been in charge of several operations. I've been part
02:23:41 10 of a number of other operations, either as an undercover or
11 assisting in some other capacity, both in state and out of
12 state.

13 Q So 20, I guess, with significant involvement.

14 Is that fair?

02:23:56 15 A Yes. And "significant involvement" would mean where I have
16 to personally go and -- and be part of an undercover operation.

17 Q Okay. Would you consider this one significant or part of
18 the 20 that you've had significant ties to?

19 A No, this -- this one would have been one of the ones that I
02:24:13 20 had -- that I was not only undercover but also one of the
21 primary investigating officers.

22 Q And how many of those over the last 18 years have you been
23 involved with?

24 A Uh, three. But these -- these are long-term
02:24:26 25 investigations, Counsel, so what -- once you start them, they go

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1 on for years, and in between those -- those investigations,
2 additional investigations pop up. What I mean is like if we do
3 a pickup and we identify a target, that target could be worked
4 as a separate investigation under the original, uh, money
02:24:45 5 laundering investigation.

6 Q In regard to this investigation, your involvement started,
7 was it April of 2014?

8 A With regards to this section of that investigation, yes.

9 Q Okay. And then it ended when everyone was arrested
02:25:05 10 approximately in August of 2016.

11 A Yes, sir. That section of that investigation, yes.

12 Q So your involvement with this section of the investigation
13 was about two years and four months; is that fair?

14 A Yes.

02:25:27 15 Q And in those two years and four months, you originally
16 identified Ivan as the -- as the boss; is that correct?

17 A Yes, sir.

18 Q And that lasted up until his passing, his death?

19 A That's correct.

02:25:53 20 Q And then a new boss appeared, and that was *compadre*, or
21 pal?

22 A *Compadre*, yes.

23 Q And he was the boss down in Mexico that, he did not want to
24 come up and meet with you?

02:26:08 25 A They both -- no, they -- the one that didn't want to come

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1 up and meet with was Ivan. We tried to -- to get to meet with
2 *compadre* but that never took place. I never even got a chance
3 to converse with him to try to convince him for a meet.

4 Q Okay. But you did receive some messages from him, right,
02:26:25 5 on your phone?

6 A Yes. Originally after Ivan's death, yes.

7 Q Okay. And did you respond to those messages?

8 A Oh, yes.

9 Q Okay. Did he respond back?

02:26:32 10 A Yes.

11 Q Did he respond back with, "No, I don't want to come up and
12 visit you"?

13 A No, at one point the messages just stopped. He just
14 stopped responding.

02:26:42 15 Q By my count, I see approximately 15 financial transactions
16 that you were either involved with or were significant enough
17 that they were noted in your reports.

18 Is that close to being accurate?

19 A It should be accurate. We -- we note -- every financial
02:27:11 20 transaction generates a -- a report and a disbursement report,
21 and it's all detailed, uh, to the last penny.

22 Q Okay. And I see of those approximately -- I don't want to
23 pin you down, it may have been 16, it may have been 14, but
24 approximately 15 transactions, by my math, that equaled about
02:27:32 25 \$1.6 million.

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1 Is that close?

2 A I would have to take your math into -- accept your math.

3 Q Okay. And of those 15 transactions, I see eight of them
4 occurred before April 15th --

02:27:51 5 A Again, I don't have the --

6 Q -- 2015.

7 A -- the Excel sheets, so I'll accept what you're saying.

8 Q Was it on April 15th, 2015, that you first became aware of
9 my client's involvement with this organization?

02:28:07 10 A April 15th, 2015?

11 Q Yes.

12 A The first time that his name, uh, came up would be during
13 the -- when I received the e-mail. If that's what we're
14 referring to, yes.

02:28:21 15 Q Okay. So before April 15th, 2015, my client wasn't
16 involved in any of those other financial transactions dealing
17 with Ivan, yourself, or the Canadian authorities?

18 A The only time the name came up, it was when Ivan had
19 provided me his account. Uh, I don't know if that was prior --
02:28:45 20 I believe it was prior to when -- when I received the e-mail.

21 Q Okay.

22 A So that would be the first time his name appeared. But up
23 to that point I was always dealing with Ivan. I was not
24 speaking to anybody else.

02:28:56 25 Q Okay. And of those 15 transactions, how many of those

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1 transactions do you know or did you note that Jese received any
2 money?

3 A I wouldn't know, other than the -- the only way I could
4 tell is if I sent the money direct to an account under his name.
02:29:23 5 Outside from that, once I sent the wires out, I had no longer
6 control of what -- what happened with the money.

7 Q So if -- do you recall on April 15th, 2015, if there was --
8 I guess it was April 27th, I'm sorry, 2015, if you sent down
9 \$8,000 to Jese?

02:29:47 10 A Yeah. Yeah, that is the one I was referring to.

11 Q Okay.

12 A Whether that was -- I just couldn't remember if it was
13 prior to the 15th or after the 15th.

14 Q Okay. And that \$8,000 came from a total transaction amount
02:29:58 15 of \$163,608?

16 A That's correct, sir.

17 Q And then also, later on, it looks like November of 2015 --
18 this was the Kansas City transaction -- it looks like there was
19 a wire of \$5,000 to Jese.

02:30:19 20 A I believe so. If -- I have to take your word, Counselor,
21 because I don't have anything in front of me, but I'll accept
22 your -- your statement.

23 Q And then on December of 2015 there was, it looks like, two
24 different wires to Jese, one for 5,000 and one for 1,689, which
02:30:42 25 would total 6,689; that would be the third wire or the third, I

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1 guess, cumulative wire to Jese.

2 Is that your recollection?

3 A I'll accept that. Yes, sir.

4 Q Okay. And by my math, that would total that my client
02:31:03 5 received from all of these financial transactions \$19,689.

6 A That he received direct to his account, yes.

7 Q Okay. And that was out of a total of 1.6 million.

8 A Again, I'm -- I'm accepting your math because I don't have
9 any of that in front of me.

02:31:23 10 Q And you previously testified that your -- your take as
11 being a -- now, are you a facilitator or a distributor or a
12 manager? What -- what would you place yourself in?

13 A My role would be more of a facilitator.

14 Q A facilitator.

02:31:45 15 A Yes. Money laundering facilitator.

16 Q Okay. Facilitating the laundering of money.

17 A Correct.

18 Q Okay. And so your cut for being a facilitator of
19 laundering money was 6 percent?

02:32:00 20 A Depending on where it was picked up. If it was in Canada,
21 it was 6 percent. If it was in the U.S., 4 percent. When it
22 was in Australia, it may have been higher.

23 Q Okay. So at -- well, at 6 percent, did you total -- or was
24 your cut approximately 96,000 Canadian dollars?

02:32:31 25 A For the expanse of all those operations? I'll accept your

1 math. It could be 96,000.

2 Q And Jese's cut, if it was 19,689, would be 1.56 percent of
3 the 1.6 million.

4 A The amount that was sent to him directly -- okay? --
02:33:09 5 accepting your math, if that is correct, I'll accept that, yes,
6 1.6 percent.

7 Q Do you have any other evidence that he received any other
8 compensation?

9 A That's why I say "accepting your math," what was sent
02:33:23 10 directly to him.

11 Q Do you have any other evidence that he received any
12 additional monies?

13 A No, I couldn't tell you that. No.

14 Q Okay. So what the evidence -- or what you know is what was
02:33:36 15 wired directly to him?

16 A That is correct.

17 Q And that's a little below \$20,000.

18 A By your math, yes.

19 Q Now, in your training and experience over the last 35
02:33:55 20 years, 18 with the DEA, do bosses of drug trafficking
21 organizations typically receive only 1 or 2 percent of the total
22 proceeds from drug transactions?

23 A I never said he was a boss.

24 Q Okay. What would you describe Jese?

02:34:22 25 A I think he was just facilitating, just like I was. He had

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1 a role within his organization, and he was in control of
2 communicating with me and also communicating with other people
3 doing other things on behalf of his organization.

4 Q And -- and he was a facilitator -- would you agree that he
5 was kind of a middleman?

6 A You could call him a middleman, yeah.

7 Q With both Ivan and then later *compadre*?

8 A Yes. But he was a middleman in control of other people
9 also, because he was controlling people that were also handling
10 the transportation of the dope and receiving the money that I
11 would transfer. He was ultimately responsible for that. As
12 indicated, when the money was seized in LA, he told me, "I'm
13 being held responsible for that money."

14 Q Do you know if he ever got any percentage or any cut of
15 that -- of that transaction, of any -- did he receive any --

16 A I couldn't tell you.

17 Q Okay. Do you have any evidence that he made any type of
18 money at all from that transaction?

19 A I could not tell you.

20 Q Because there's no evidence to support that he did receive
21 any?

22 A It -- because I don't know.

23 Q Okay.

24 A Because I don't know.

25 Q Now, you also told us that Jese was kept in the dark by his

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1 boss --

2 A Yes.

3 Q -- is that accurate?

4 A Yes.

02:35:57 5 Q And can you tell Your Honor what you believe that to mean?

6 A Yes. He complained on the second meeting that when he went
7 to the first meeting, uh, he was not given any information to
8 actually, uh, be able to answer some of the things that, uh,
9 were going to be posed to him. So that was one of his
02:36:19 10 complaints that he did to me on his second meeting.

11 Q And in your training and experience, being kept in the dark
12 is a way for bosses making sure that the lower levels don't take
13 over.

14 Would that be accurate?

02:36:34 15 A Oh, yes. It's definitely -- this is not a fair world.
16 It's a backstabbing world. And they -- the one thing that they
17 always want to do is maintain the contact with the person that's
18 important to the organization, because the minute you lose that
19 contact, the minute you lose that -- that kind of control, then
02:36:51 20 you're left out, and now the other people are working and you're
21 not gaining anything. So it's something that happens at every
22 level of an organization, especially when it involves
23 international and domestic movements of drugs and monies back
24 and forth.

02:37:05 25 Q Do you recall when you were meeting with Jese, this is the

1 last one in West Seattle, at the end of your conversation with
2 him, did he go outside and have a phone call? Do you remember
3 that, at the end of the transcript?

02:37:30 4 A No, he left -- he left, uh, which was kind of odd, he left
5 in the middle of the negotiations, left the, uh -- the bar, and
6 later I found out from surveillance that they drove to
7 McDonald's to get something at McDonald's. When he came back, I
8 even asked him, you know, what happened. He said, "No, I
9 just -- you know, wanted to go to McDonald's." And I said, "Why
02:37:48 10 don't you bring them in. We could -- we're in a restaurant."

11 So that was the only time that he was outside of my view
12 and outside of my area after we started the meeting. Whether he
13 made a phone call down there, I don't know.

14 Q Did you set a price at this meeting?

02:38:01 15 A We set a price, uh, for, uh -- for -- for receiving it on
16 the U.S. side.

17 Q Of methamphetamine or for the heroin?

18 A No, the methamphetamine we -- we discussed. That was --
19 that was separate from the meeting with the -- with the, uh --
02:38:17 20 the Canadian. Uh, a price was -- a round-about price was set
21 for -- to start with the first ten at that meeting.

22 THE COURT: That's heroin.

23 THE WITNESS: Heroin, yes, sir.

24 BY MR. VIETH: (Continuing)

02:38:29 25 Q And what was that price for the heroin?

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1 A I think on the U.S. side it would have been about 55 to 60,
2 and on the Canadian side it would have been over 70.

3 Q And was there a price set for the fentanyl?

4 A No, we didn't -- we never called it fentanyl. We were
02:38:44 5 discussing it as heroin.

6 Q So the price for the fentanyl, although the fentanyl, it
7 never came up, everybody just kept using --

8 A Heroin.

9 Q -- *pantalones* or --

02:38:58 10 A *Pantalones*, yes.

11 Q Okay. I think you also testified that when negotiating
12 prices, Jese would often say he'd have to send the info and then
13 "they tell me how much."

14 Who is "they"?

02:39:32 15 A It would be his bosses.

16 Q Okay. And none of the bosses were ever arrested; is that
17 correct?

18 A Not under this case.

19 MR. VIETH: Thank you, sir.

02:39:45 20

21 REDIRECT EXAMINATION

22 BY MS. VAN MARTER:

23 Q So I want to ask you a couple of questions.

24 So in the subsequent meeting in January after Ivan's
02:39:57 25 death --

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1 A Yes.

2 Q -- is that when Mr. Casillas complained that Ivan had not
3 given him details?

4 A Yes.

02:40:03

5 Q And during that January 29th meeting, then, did
6 Mr. Casillas indicated he wanted the details now?

7 A Yes. Well, part of it -- not only with regards to the
8 details and the negotiations but also as to where he was doing
9 business. Ivan was very close to the vest as to where other
10 places that I was doing pickups for him at. So I explained all
11 of that to him.

02:40:21

12 Q And that was at Mr. Casillas' request for this information;
13 is that correct?

14 A Yes.

02:40:31

15 Q And during that meeting did he give any indication -- and I
16 know you previously testified to this -- as to the difference in
17 quality of the product now versus when it was with Ivan.

18 A Well, yes, because one of the things -- one of the running
19 parts of the negotiations was the fact that what we were looking
20 for was not volume but quality, and obviously if it's good
21 quality, then we can do high volume. He was assuring us that if
22 we liked the heroin that we had received prior, that was sent to
23 Ivan, that the new stuff we were going to be getting would blow
24 our minds; that it would be really good; that we would accept
25 it, and we would accept the price, the higher price.

02:40:51

02:41:10

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1 Q And did he also indicate to you that there was a
2 relationship between *compadre* and Ivan previously?

3 A Um, the discussion with regards to their -- their
4 relationship was that *compadre* was one of Ivan's partners or old
02:41:25 5 partners, and that, in fact, some of the things they had done on
6 behalf of Ivan, uh, were on behalf of *compadre*. And that
7 reminded me that when I was having discussions with Ivan, he
8 always referred to other friends that he had that needed to use
9 my service.

02:41:40 10 Q And so now Mr. Casillas was indicating that he was the one
11 in direct communication with *compadre*.

12 A Well, he -- by nature of telling me where the pickups were
13 and where the money was going to go, yes.

14 Q And based upon your training and experience in regard to
02:41:55 15 how these organizations work, is it common that there are
16 individuals who do control matters in Mexico?

17 A Yes.

18 Q And then do they -- is it common for them to have cells or
19 locations throughout the United States for the purpose of
02:42:09 20 carrying out business?

21 A Yes.

22 Q And how does that work?

23 A Well, you will have someone who is established within an
24 area that they are going to operate, whether it be living there
02:42:19 25 or working there or -- or have some relationship to the local

1 area and have the -- the control of the routes of where the --
2 the dope is going into and where it's going to be distributed.

3 Their -- their, uh, role could be limited to just
4 transportation or could be expanded to distribution or it could
02:42:38 5 be expanded to money laundering. That's up to the individual
6 and his relationship with, uh, with the supplier in Mexico.

7 Q And then when Mr. Vieth was asking you questions, you had
8 used the term "facilitator" as it related to Mr. Casillas and
9 yourself.

02:42:56 10 A (Nodded.)

11 Q Does that mean that they are a low-level member of the
12 organization?

13 A Well, it -- it's -- to put them in a location within the
14 organization, it depends on what they're controlling. Um,
02:43:12 15 controlling the money is the most important thing. The whole
16 idea of drug dealing is profit, is to move money. So if I am
17 controlling the movement and receiving and securing of the
18 money, I'm important to their organization. If I'm involved in
19 the transportation and the securing of the product to arrive
02:43:30 20 where it's distributed, I'm an important -- that's -- that's a
21 level of importance within the organization.

22 So depending on what exactly your duties are for the
23 organization and the location that you're working, that
24 determines your importance within the organization.

02:43:46 25 Q And in this case, Mr. Casillas was obviously in control of

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1 movement of money; is that correct?

2 A It was apparent, based on his requesting -- you know,
3 giving me the information as to where the money was going and
4 also dictating who was going to receive actual physical cash in
02:44:01 5 LA, that he had some control over the money.

6 Q And this also included international control of money.

7 A Well, he was providing the contacts of the people in a
8 foreign country that was holding the money, and passing
9 information along to identify the person to whom they were
02:44:17 10 supposed to turn over the money, so he did have some control
11 over that.

12 Q And also in control of disbursement of funds.

13 A With regards to providing me the accounts where the money
14 was supposed to be sent to, uh, yes, he had that control.

02:44:30 15 Q And did he also have, then, obviously participation as well
16 as negotiation of product?

17 A Yes, he took part in negotiations for -- for the delivery
18 of those 10 kilograms of heroin.

19 Q And transportation of the product.

02:44:45 20 A We discussed transportation of product with regard to
21 this -- this, uh, transaction, and also he had mentioned others
22 that had occurred prior to.

23 Q And as well as individuals who would not only receive
24 monies for him in other locations in the country but also engage
02:45:06 25 in transportation.

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1 A Uh, I lost your last part.

2 Q He also had individuals who would receive money for him at
3 his direction at various parts of the country, for instance,
4 Los Angeles.

02:45:16 5 A Yes.

6 Q And he also had individuals who transported narcotics for
7 him even down to the sample that you received in May.

8 A Yes.

9 Q You had also indicated that you had tried several times to
02:45:36 10 be able to speak directly with *compadre*; is that correct?

11 A Yes, I wanted to. I knew that, um, Mr. Casillas was not
12 the owner of any of this -- this dope. I knew that people that
13 were supplying him, uh, were connected with laboratories, that
14 they were actually producing this. So it was very important to
02:45:57 15 me to try to -- to reach out to them in any way I could.

16 So at every step in the negotiations, I always try to offer
17 myself to contact these people in order to unburden him but
18 really to try to engage with them, you know, to further the
19 investigation in Mexico.

02:46:15 20 Q And did Mr. Casillas ever allow you access to *compadre*?

21 A No, I was never able to -- to get him to do that.

22 Q There were a lot of questions in regard to the money wired
23 directly to Mr. Casillas in some kind of argument that that was
24 then a representation of his -- his overall proceeds that he
02:46:38 25 would have received as being a part of this organization.

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1 During the time that Mr. Casillas got involved or that you
2 knew him to be involved in April of 2014, during that time, was
3 that the time period when your relationship with Ivan had
4 changed in regard to the cash money drops?

02:46:58 5 A Um, well, when he was giving me the -- the contacts for the
6 drops, Ivan was not on the scene; he was gone; he was dead.

7 Q No, I mean, prior -- in April of 2014 you had previously
8 testified that your relationship with Ivan changed, where he was
9 no longer giving you larger contracts but smaller contracts to
02:47:19 10 cover overhead.

11 A Correct.

12 Q And that was based upon his disagreement with you regarding
13 the percentages you were charging.

14 A The prices, yes.

02:47:26 15 Q So during the time of April 2014, is it during this time
16 period when Mr. Casillas first became involved that you were
17 then receiving contracts really for payment of overhead on
18 behalf of Ivan?

19 A Yes. Yes, and -- but some of them were of a larger nature,
02:47:43 20 so I don't think all of them were just for overhead. Some of
21 the -- some of the pickups that were over \$150,000 were not for
22 overhead, at least my opinion.

23 Q And some of those wire transfers were directed to Mexico.

24 A Correct.

02:47:55 25 Q And some were directed here to this district.

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1 A Yes.

2 Q And elsewhere.

3 A Yes.

4 Q So when asked if this was the money wired directly to

02:48:05

5 Mr. Casillas, if that was a representation of all of the
6 investment or proceeds he received, is that really a fair or
7 accurate statement?

8 A It's the only thing that I could say because that's what I
9 could say was actually sent to him personally. I could not tell
10 you what, if any, of all the other money that -- that was
11 received or was under his control was actually received by him.
12 I couldn't tell you that.

02:48:20

13 Q And could those monies that were wired directly to him
14 easily been used for overhead?

02:48:35

15 A Yes, they could have.

16 Q In reference to those transportation costs he discussed.

17 MR. VIETH: Objection, Your Honor; speculation.

18 THE COURT: Sustained.

19 BY MS. VAN MARTER: (Continuing)

02:48:50

20 Q And for all of the cash money drops that Mr. Casillas then
21 directed himself, do you know if he received any percentage for
22 doing those?

23 A I do not know. I know that we had discussed, uh, adding a
24 percentage to -- to my fee, um, that I could wire to him
25 directly if he wanted to, and that I would back him up with his

02:49:12

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1 bosses. Again, it was another attempt of me attempting to
2 contact his bosses direct, uh, with regards to justifying the
3 higher fee.

4 Q And what -- were you able ever to kick him an extra
5 percentage?

6 A I don't -- I don't think so. I think we maintained
7 everything at the same rate.

8 Q And do you know why that was?

9 A Uh, to be honest with you, I don't know. It just -- we
10 maintained it at 4 percent. I mean, I can only, uh, ask him
11 to -- to do it so much. I mean, I would follow his instruction
12 with regards to where the money went.

13 Q And based upon your training and experience with respect to
14 what you know Mr. Casillas engaged in in this investigation, is
15 it your experience that they often do that for free?

16 A I'm -- well, uh, no, they don't do it for free. But one of
17 the things that he did say to me after they -- they seized, uh,
18 the \$240,000, one of the things he was complaining is this is --
19 "now I'm going to be working for free," uh, because there is --
20 in some options when seizures happen, uh, that the bosses, what
21 they'll do is if they know you don't have the means to -- to
22 repay that, they'll say, "Okay, now you will continue to work
23 for free."

24 Q Until it's paid off.

25 A Until it's paid off, yes.

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1 MS. VAN MARTER: I have no other questions, Your Honor.

2

3

RECROSS-EXAMINATION

4

BY MR. VIETH:

02:50:36

5

Q Did you have any indication or any concern for Jese's
6 safety?

7

A I always have concern for their safety, but in some
8 respects I can only control certain things when you're doing an
9 investigation. If something comes across, uh, either from
10 Mexico, from Canada, or from any other, uh, source that his life
11 was in danger, we would have tried to intercede.

02:50:55

10

12

And I'll give you an example. It happened in this case in
13 which one of the subjects that Ivan was dealing with in Canada,
14 Ivan was making rumblings of having someone hurt him. And we
15 ended up having the Canadian authorities contact, do a physical
16 meet with that individual, and -- and not alert them as to the
17 investigation but alert them that someone was looking to hurt
18 them. And that completely voided us being able to follow up on
19 that individual, but we took -- we prefer to do something to
20 make sure he doesn't get hurt as opposed to not doing anything
21 and having something happen.

02:51:14

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02:51:33

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Q Did you ever receive any information that my client may
23 have been forced into this or had suffered any type of duress in
24 regard to either laundering the cartel's money or dealing the
25 cartel's drugs?

02:52:02

25

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1 A He never told me directly as to any threats against him or
2 being under any duress. Uh, when the money was seized, he was
3 definitely under duress with regards to he has to explain how he
4 lost \$240,000. And, uh, we -- that's why we took the pains to
02:52:21 5 provide him the report so that the bosses knew that it was a
6 seizure by law enforcement and that he was not the person that's
7 trying to stealing that money.

8 So that's the only instance throughout my whole contact
9 with him in which, uh, he expressed concern, uh, because his
02:52:39 10 bosses were blaming him for the loss.

11 Q And you do believe him when he said, "I will work for
12 free."

13 A Well, I -- I know how these things work, and that money --
14 when -- when you seize money, it's not like, uh, a pass because,
02:52:54 15 you know, you're all set. I mean, they will try to get the
16 money back. And even in this case, we had discussions with
17 regards to them having an attorney in the Los Angeles area that
18 was good at -- at getting the money back, and -- and he -- the
19 discussions were for me to provide some kind of cover evidence
02:53:12 20 to justify the legitimacy of that money to present to the court.
21 But all we used was I couldn't do that to the guy that was
22 paying you because his job was complete when he gave the money
23 to the correct person.

24 So I do believe him that, uh, if -- if they held him liable
02:53:31 25 for that 244,000, that anything else he do, they -- they will --

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1 they will try to make that money back, because I know exactly
2 how they work.

3 Q And "they," that's being the leaders and the bosses down in
4 Mexico or possibly even up here in the Northwest?

02:53:46 5 A Whoever the owner of the money was. Losses are not taken
6 lightly, and losses are not -- not forgiven. Um, this --
7 obviously there's ways to mitigate the loss, and one of the ways
8 to mitigate the loss is to continue to work, and now whatever
9 your gains were, are going to go towards whatever assessment of
02:54:10 10 the loss is put on you by the boss or the owner of that money.

11 Q Okay. So just to be clear, Jese didn't own the drugs, he
12 didn't own the money; he's best described as a facilitator.

13 A Well, he was a manager, yes. He's a facilitating manager
14 in the U.S., and he was managing the transportation,
02:54:29 15 distribution, and also some of the money laundering activities
16 on behalf of his boss in -- in, uh -- in Mexico, as he did with
17 Ivan.

18 MR. VIETH: Okay. Thank you.

19 THE COURT: Remind me, was there a seizure that Ivan was
02:54:42 20 involved in? Was he -- was there money seized in Ivan's
21 possession? Was Ivan let go?

22 THE WITNESS: There was a -- it wasn't related to this
23 case. It was prior to this case. There was a seizure in
24 Los Angeles that -- that we became aware of in which they took
02:54:59 25 \$400,000 from -- or something of that effect, and --

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1 THE COURT: Was he present at the time?

2 THE WITNESS: Yes, he was present at the time and --

3 THE COURT: And they released him.

4 THE WITNESS: As far as I know, they did release him,
02:55:08 5 yes.

6 THE COURT: That's my recollection.

7 THE WITNESS: Yes.

8 THE COURT: Do we know the chronology of that seizure
9 and his death? Because my recollection is there's some -- I've
02:55:20 10 had so many of these cases involving Mr. Ivan Calvillo that -- I
11 thought that he had been ordered back to Mexico and had to stay
12 in Mexico.

13 MS. VAN MARTER: So if the Court recalls, that was
14 actually during the time of the prior case before this Court,
02:55:37 15 the Title III involving Alberto Hernandez and Rulas Hernandez.
16 So it was back -- it's on the timeline. I'll pull it up for the
17 Court.

18 THE COURT: I just wanted to get the details. As I
19 recalled it, Ivan was involved -- Calvillo was involved and
02:56:01 20 had -- money had been seized from him. He wasn't prosecuted.
21 He was allowed to go, and I even think there was some -- I can't
22 recall if there was some allegation that -- whether the police
23 let him go on purpose.

24 MS. VAN MARTER: So it was Pomona County task force.
02:56:23 25 There was a reverse of approximately 40 pounds of cocaine.

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1 THE COURT: Maybe that was it.

2 MS. VAN MARTER: Mr. Calvillo showed up with Ms. Mendoza
3 and another defendant that has been before this Court to do the
4 exchange. They completed the exchange. He provided
02:56:37 5 approximately \$400,000 cash. The task force came in, arrested
6 Mr. Calvillo, and at that time, because of his status in the
7 United States, he was deported prior to any charges being filed.
8 That was during when we were working with law enforcement to --
9 when Mr. Calvillo lived up here in Sunnyside, Washington. And I
02:56:59 10 believe the seizure was in approximately 2013. That's what I
11 was just trying to pull up for the Court.

12 And he remained in Mexico after that period of time,
13 and, yes, he did have to pay that back at some point to the
14 organization, but that was prior to Mr. Casillas' involvement in
02:57:16 15 April of 2014.

16 THE COURT: Thank you.

17 Any other questions for this witness?

18 MS. VAN MARTER: Not from the United States, Your Honor.

19 THE COURT: Any other questions?

02:57:26 20 MR. VIETH: No, Judge.

21 THE COURT: Thank you for your testimony. You may step
22 down.

23 THE WITNESS: Thank you, Your Honor.

24 THE COURT: Let's take a 15-minute break at this time.

02:57:34 25 Thank you.

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1 THE COURTROOM DEPUTY: Please rise.

2 Court is in recess.

3 (Recess taken: 2:57 p.m. to 3:14 p.m.)

4 THE COURTROOM DEPUTY: Please rise.

03:14:18 5 (Call to Order of the Court.)

6 THE COURT: Please be seated.

7 Okay, folks, let's sort out our day. We've got some
8 issues, and I need to get an estimate of how long it's going to
9 take and how we're going to proceed, because we have other
03:14:30 10 judges I need to accommodate and other hearings.

11 So talk to me.

12 MS. VAN MARTER: Your Honor, the United States intends
13 to call Scott Barlow with RCMP. We are going to limit it to a
14 couple issues, not what we were originally going to go over, so
03:14:44 15 we're going to try and shorten that; and then Bill Leahy on a
16 couple of issues. So we're hoping to make those abbreviated.

17 THE COURT: It's 3:15. Give me an estimate.

18 MS. VAN MARTER: 3:45 for both.

19 THE COURT: For both?

03:14:55 20 Isn't there a 3:30 for Judge Rodgers, magistrate court
21 video?

22 THE COURTROOM DEPUTY: Yes. And they expect it to take
23 ten minutes.

24 THE COURT: What do you want to do?

03:15:05 25 MS. VAN MARTER: I think I can try and get through one

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1 of them by 3:30, and we could probably take a break.

2 THE COURT: That would be my thought. I'd like to
3 accommodate Judge Rodgers if we could, and then come back and
4 continue.

03:15:16 5 But let's assume we get everything done by 3:45 -- well,
6 4 o'clock then.

7 Now what?

8 MS. VAN MARTER: My argument would not be long, Your
9 Honor. I submitted --

03:15:25 10 THE COURT: Well, we're not going to rush this. It's
11 serious business for everybody. We're talking about years and
12 years in prison.

13 MS. VAN MARTER: Yes.

14 THE COURT: So no reason to accelerate that. And we're
03:15:34 15 not going after 5:00. So you have your thing, and if you want
16 to come back at another time, that's fine, too. But I wanted to
17 accommodate your out-of-country witness, so let's get that done
18 now.

19 Mr. Vieth?

03:15:44 20 MR. VIETH: There was just one point of clarification,
21 Your Honor, and I've already discussed it with the Government.
22 Exhibit No. 11 has a statement in there that I would like to
23 pinpoint for the Court. There was some representations by the
24 last witness that my client ceased to communicate with the
03:16:05 25 bosses down in Mexico. And there is an indication, it was at

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1 the last --

2 THE COURT: I'm sorry, Counsel, I didn't hear that.

3 MR. VIETH: It was at the last meeting at the Buena --

03:16:22 4 MS. VAN MARTER: The May 17th transaction from -- what I
5 indicated to Mr. Vieth is I believe the testimony was -- the
6 question was whether Mr. Casillas, in the presence of the
7 undercover, made phone calls. There was -- my understanding of
8 the testimony was Mr. Casillas still had to consult bosses for
9 price and specifics. The question as to whether he made a phone
03:16:40 10 call in his presence, he didn't.

11 Mr. Vieth would like to point out in the transcript that
12 there's a reference that Mr. Casillas needs to go outside to
13 make a phone call. That's the time period that was referenced
14 when he left to go to McDonald's, and I believe the witness
03:16:52 15 said, "I don't know if he made a phone call during that time
16 period or not."

17 MR. VIETH: If that's the Court's understanding, Your
18 Honor, I am completely fine with that.

19 THE COURT: That's my understanding.

03:17:00 20 MR. VIETH: Okay. Thank you, Judge.

21 THE COURT: Call your witness.

22 MS. VAN MARTER: Thank you, Your Honor. The United
23 States calls Scott Barlow.

24 THE COURT: Cora, let Judge Rodgers' people know we'll
03:17:11 25 do it at 3:30-ish.

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1 Come forward, please, to your right and to my left.

2 (Witness approached.)

3 THE COURT: Good afternoon.

4

03:17:25

5 SCOTT BARLOW,

6 called as a witness on behalf of the Plaintiff, having first
7 sworn or affirmed, testified under oath as follows:

8 THE WITNESS: I do.

9 THE COURT: Please be seated.

03:17:32

10 When you're comfortable, tell us your first and your
11 last name, and then spell both of them for the record.

12 THE WITNESS: First name is Scott, last name is Barlow;
13 S-C-O-T-T, B-A-R-L-O-W.

14 THE COURT: Thank you. Good afternoon.

03:17:46

15 You may proceed.

16 MS. VAN MARTER: Thank you.

17 DIRECT EXAMINATION

18 BY MS. VAN MARTER:

19 Q Good afternoon.

03:17:49

20 How are you employed?

21 A I'm employed by the RCMP, Royal Canadian Mounted Police.

22 Q And how long have you been with the RCMP?

23 A I've been a member of the RCMP since 2000; approximately 18
24 years.

03:18:00

25 Q And just for the record, do we -- you have permission to

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1 sit during the testimony.

2 THE WITNESS: Thank you very much, Your Honor.

3 BY MS. VAN MARTER: (Continuing)

4 Q Do you usually stand during testimony?

03:18:09 5 A Yes. In Canada, we normally stand during testimony.

6 Q All right. What is your current assignment?

7 A I'm currently assigned as a sergeant team leader to the
8 Federal Serious and Organized Crime section.

9 Q Is that referred to as FSOC?

03:18:21 10 A Yes.

11 Q And what are your duties and responsibilities with FSOC?

12 A Our mandate is to investigate transnational organized crime
13 with respect to drug smuggling and money laundering.

14 Q And did you become involved in an investigation that
03:18:34 15 related to a DEA Boston case?

16 A Yes.

17 Q And do you recall when you became involved?

18 A I became involved in roughly September of 2014, Your Honor.

19 Q And what -- what was your role in that investigation?

03:18:47 20 A I was assigned as the primary investigator, which would
21 control the speed, flow, and direction of the file occurring in
22 Canada.

23 Q And was there a particular target that was identified in
24 the Vancouver area that you were in charge of following up
03:19:00 25 investigation?

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1 A Yes. The target was, Jorge Esau De Vicente Luque.

2 Q And is that an individual who has been indicted in this
3 particular case?

4 A Yes.

03:19:10 5 Q Yet remains a fugitive?

6 A Yes.

7 Q And during your initial assignment, then, did you follow up
8 in regard to surveillance and other investigative techniques
9 with regard to Jorge Luque?

03:19:21 10 A Yes. We conducted surveillance on him; we placed trackers
11 on his vehicles; we did telephone dial-recorders, which would
12 monitor all of his telephone calls in and out.

13 Q And during the course of the investigation, were you aware
14 if he personally participated in aspects of the investigation to
03:19:35 15 include money drops?

16 A Yes.

17 THE COURT: Sorry. Hold on.

18 MR. VIETH: Mr. Barlow, could you speak up a little bit?
19 The interpreter is having a little bit of difficulty.

03:19:44 20 THE WITNESS: Yes, I will, sir.

21 THE COURT: Pull that microphone a little closer.

22 BY MS. VAN MARTER: (Continuing)

23 Q I'm sorry. I'll repeat the question.

24 Did you identify Mr. Jorge Luque as being involved in the
03:19:52 25 investigation, specifically also involved in money drops?

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1 A Yes, he showed up on several occasions to deliver money to
2 our undercover operators.

3 Q And what was RCMP's role in the investigation with DEA in
4 Boston, predominately?

03:20:05 5 A Our role?

6 Q Yes.

7 A Our role was to support their investigation, but also to
8 look at opportunities in Canada to have disruption and
9 enforcement with respect to seizing drugs or money or cash.

03:20:15 10 Q And that also included providing undercover operatives who
11 played the role of the Canadian bosses?

12 A Yes, we inserted several undercover operators to support
13 DEA's operation.

03:20:31 14 Q And back to Mr. Jorge Luque, you had indicated he
15 participated in several cash money drops; is that correct?

16 A Yes, that is correct, ma'am.

17 Q And did he participate early on in the investigation and
18 then --

03:20:37 19 THE COURT: Counsel, can you just go a little bit
20 slower?

21 MS. VAN MARTER: Yes, Your Honor. Sorry, Your Honor.

22 THE COURT: Thank you.

23 BY MS. VAN MARTER: (Continuing)

03:20:44 24 Q During the early part of the investigation, was he
25 identified, then, as participating in those cash money drops?

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1 A Yes. He showed up at the first part of the cash money
2 drops, and then there was a little bit of a lull in his
3 appearance, and then he showed up towards the end of the
4 investigation, which I believe is --

03:20:55

5 THE COURT: Who are we speaking of here?

6 BY MS. VAN MARTER: (Continuing)

7 Q Jorge Luque? Is that correct?

8 A Jorge Luque, yes.

9 THE COURT: Thank you.

03:21:00

10 BY MS. VAN MARTER: (Continuing)

11 Q And during the initial part, that was when Mr. Ivan
12 Calvillo was involved; is that correct?

13 A Yes, that is correct.

14 THE COURT: How do we know that? How do I know that?
15 How does he know that?

03:21:08

16 BY MS. VAN MARTER: (Continuing)

17 Q You first became involved in the fall of 2014; is that
18 correct?

19 A Yes.

03:21:13

20 Q And when you first became involved, did you have
21 conversations and debriefings with DEA Boston?

22 A Yes. We entered into a joint investigation with the Drug
23 Enforcement Agency to support the money pickups occurring in
24 Vancouver and to investigate the criminal organization in
03:21:28 25 Canada.

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1 Q And based upon that involvement, did you become familiar,
2 then, with who the Undercover Operative Jaime Cepero was in
3 communication with?

4 A Yes. We had routine communications with Mr. Cepero's team
03:21:41 5 and updates on the file as it progressed in the United States
6 and in Mexico.

7 Q And so in that early part of your involvement in the fall
8 of 2014, who did you understand Undercover Cepero was in
9 communication with?

03:21:52 10 A We were advised that he was communicating with
11 Mr. Calvillo, Ivan Calvillo.

12 Q And it was that time that you first identified Mr. Luque
13 participating in the money drops?

14 A Yes.

03:22:02 15 Q And you indicated that there was a lull in time where you
16 didn't see him.

17 A Yes, there was a lull in time where there were several
18 money pickups where Luque was not the person delivering the cash
19 at hand.

03:22:13 20 Q And can you recall some of the people that delivered on
21 his -- during -- excuse me, some other individuals who
22 provided -- who participated in the cash money drops?

23 A Yes, we had several. We had an Armando Betancort, we had
24 had a Rolando Guajardo (phonetic spelling), we had an Oscar
03:22:28 25 Mendoza, we had a Anna Rogalski, and I believe --

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1 Q A Benjamin Goldring?

2 A And, sorry, and a Benjamin Goldring.

3 Q So there are other individuals that were involved in these
4 cash money drops in addition to those that were presented in
5 indictment here in the United States?

6 A Yes.

7 Q You had mentioned an Anna Rogalski; is that correct?

8 A Yes. Anna Rogalski was identified as she delivered, uh, I
9 believe, approximately \$100,000 on April 15th, 2015.

10 Q And did she also then --

11 THE COURT: In Vancouver British, Columbia?

12 THE WITNESS: In Surrey, British Columbia, a small
13 suburb of Vancouver, yes.

14 BY MS. VAN MARTER: (Continuing)

15 Q And did she also deliver within a week after that, on
16 April 22nd?

17 A Yes, approximately seven days later I believe she delivered
18 163,000.

19 Q And was this the time period that Ivan was in communication
20 with the undercover?

21 A Yes, I believe so.

22 Q And based upon those cash deliveries, did you do follow-up
23 investigation regarding Ms. Rogalski?

24 A Yes. So we conducted surveillance on Anna Rogalski, just
25 to find out who her associates were, who she was working for,

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1 because we believed she was just a runner, delivering the cash.
2 And during surveillance, we found that she met up with an
3 individual called Oscar Mendoza, which we had previous history
4 of. He's actually -- he was currently under indictment at the
03:23:50 5 time that we found him and located him on surveillance. He has
6 since been indicted to the United States for drug trafficking
7 offenses and drug smuggling offenses.

8 And during that time on surveillance, she met with him on
9 several occasions, and they went to various places together and
03:24:05 10 purchased a vacuum sealer and a money counter.

11 Q And where was Mr. Mendoza brought to the United States to
12 face his charges?

13 A I believe in the Western District of Washington;
14 Bellingham, I believe, was the DEA office.

03:24:19 15 THE COURT: So is he under indictment in the Western
16 District?

17 THE WITNESS: Yes, and he has since been extradited to
18 the United States, Your Honor.

19 THE COURT: Okay. Thank you.

03:24:26 20 BY MS. VAN MARTER: (Continuing)

21 Q And did you also understand or come to learn that
22 Mr. Mendoza had ties to this side of Washington state as well?

23 A Yes.

24 Q After you observed Ms. Rogalski purchase the money counter
03:24:44 25 and such, did you participate in or obtain a search warrant for

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1 her residence in Canada?

2 A Yes. There was another pending money contract that
3 Mr. Cepero had received, and we believed it was from the same
4 organization. Roughly, they were organizing \$300,000 that
03:24:59 5 needed to be repatriated back to other parts of the United
6 States and Mexico.

7 So at that point in time we made an investigative decision
8 to execute a search warrant on her residence, and during the
9 search warrant we located the vacuum sealer, the money counter,
03:25:10 10 and \$300,000 in Canadian currency vacuum-sealed and ready for
11 delivery.

12 THE COURT: How do you spell her last name?

13 THE WITNESS: Rogalski? It's R-O-G-A-L-S-K-I.

14 THE COURT: Thank you.

03:25:22 15 BY MS. VAN MARTER: (Continuing)

16 Q And is that also an individual who has been presented in
17 indictment in this jurisdiction --

18 A Yes.

19 Q -- based upon her role?

03:25:29 20 A Yes, she has.

21 Q And did you have an opportunity to speak to her during the
22 execution of that search warrant?

23 A Yes. Following the execution of the search warrant, I
24 personally did a warrant statement of her at the scene.

03:25:40 25 Q And did she provide you any information as to how she got

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1 involved?

2 A Limited information; just the fact that she was recruited,
3 Your Honor, basically at a salsa dance club by an individual by
4 the name of Hugo.

03:25:54

5 Q And was she supposed to receive any payment for her
6 participation?

7 A Yeah, she received, um, a minimal -- a few thousand
8 dollars, I believe, I recall.

03:26:10

9 THE COURT: Did you say she's under indictment in this
10 district?

11 MS. VAN MARTER: Yes, Your Honor.

12 THE COURT: In front of me?

13 MS. VAN MARTER: Yes. She's not appeared before you
14 yet.

03:26:14

15 BY MS. VAN MARTER: (Continuing)

16 Q Does she remain a fugitive?

17 A She remains a fugitive in Canada.

18 Q And, let's see, did Mr. Luque reappear during the course of
19 the investigation himself?

03:26:35

20 A Yes. Towards the end, I believe the summer of 2016, maybe
21 June and July, he showed up and delivered, I believe, on three
22 separate occasions bulk cash for transferring to the United
23 States.

03:26:50

24 Q And based upon your involvement in the investigation at
25 that time, did you know who the undercover was in communication

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1 with at that time?

2 A Who, sorry, Mr. Cepero was in communication with?

3 Q Yes.

4 A Yes.

03:27:01 5 Q And who was that?

6 A And we knew it was Jese Casillas.

7 Q Aside from the \$300,000 seizure, did your unit also
8 participate in or were a part of a seizure that occurred in
9 August up in Grand Forks?

03:27:26 10 A Yes, we were.

11 Q And that -- was that a part of your independent
12 investigation or follow up?

13 A Yes. As a result of the money contract received by
14 Mr. Cepero during our undercover operation, the undercover
03:27:37 15 operator observed a hidden compartment in the vehicle that
16 arrived to deliver the cash. As a result, we conducted
17 surveillance, and within a few days that vehicle drove to a
18 remote area on the border of Washington state and Canada, which
19 is approximately about five or six hours away from Vancouver,
03:27:52 20 and in the middle of the evening, several occupants crossed the
21 border illegally and entered into that vehicle. And an arrest
22 was made and several items, I believe 17 kilos of
23 methamphetamine, 4 kilos of cocaine, just under a kilogram of
24 heroin, and two stolen handguns, were located.

03:28:09 25 Q Other than the search warrant, then, at Ms. Rogalski's and

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1 the seizure at Grand Forks, BC, did you have any other large
2 cash seizures or bulk drug seizures related to this
3 investigation?

4 A Not during that time we didn't.

03:28:25 5 Q So earlier when Officer Cepero was testifying regarding a
6 \$300,000 loss or seizure that occurred in Canada, what did you
7 understand that to be a reference to?

8 A We believe it was the money that we seized during the
9 search warrant from Anna Rogalski.

03:28:43 10 MS. VAN MARTER: Your Honor, if I could have a moment?

11 THE COURT: Yes.

12 (Counsel conferring.)

13 MS. VAN MARTER: That was a long way to come, but thank
14 you very much. I have no other questions of this witness.

03:29:07 15 THE COURT: Mr. Vieth?

16

17 CROSS-EXAMINATION

18 BY MR. VIETH:

19 Q Good afternoon, sir.

03:29:13 20 A Good afternoon.

21 THE COURTROOM DEPUTY: Judge, it's 3:30. Did you want
22 to break now or --

23 MR. VIETH: I'll be brief, Judge. I've only got two
24 questions.

03:29:22 25 THE COURT: Go ahead.

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1 BY MR. VIETH: (Continuing)

2 Q Who is Luque?

3 A Jorge Esau De Vicente Luque was identified as the person
4 who Mr. Cepero was originally in contact with who was
03:29:33 5 negotiating the money contracts in Canada.

6 Q Is he best described as the leader/organizer, I guess, in
7 Canada, the leader of the group up there?

8 A Yes.

9 Q Do you know if there are any telephone records, any other
03:29:50 10 documentation, text messages, e-mails, anything that links my
11 client to Luque?

12 A Not that I know of.

13 MR. VIETH: That's all we have, Judge.

14 MS. VAN MARTER: Just one clarifying question?

03:30:05 15 REDIRECT EXAMINATION

16 BY MS. VAN MARTER:

17 Q So Luque was utilized for cash money drops at the direction
18 of Ivan; is that correct?

19 A Yes.

03:30:15 20 Q And also at the direction of Jese Casillas?

21 A Yes, I believe so.

22 Q And do you know if you have all of the phone numbers and
23 BBM PINs and WhatsApp communications or contacts for Luque?

24 A No, we don't have all the communications for Luque.

03:30:29 25 Q And do you know if you have any or all of the

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1 communications for Mr. Casillas?

2 A No, we don't.

3 MS. VAN MARTER: No other questions, Your Honor.

4 MR. VIETH: Nothing further. Thank you, Judge.

03:30:38 5 THE COURT: Well, thank you for being here.

6 THE WITNESS: Thank you very much, Your Honor.

7 THE COURT: Okay, folks, 15 minutes. See you in 15.

8 THE COURTROOM DEPUTY: Please rise.

9 (Recess taken: 3:30 p.m. to 3:58 p.m.)

03:30:54 10 THE COURTROOM DEPUTY: Please rise.

11 (Call to Order of the Court.)

12 THE COURT: Good afternoon. Let's resume.

13 You folks ready over there?

14 All right. Mr. Leahy.

03:58:18 15 (Witness approached.)

16 THE COURT: Welcome back.

17

18 WILLIAM LEAHY,

19 called as a witness on behalf of the Plaintiff, having first

03:58:27 20 sworn or affirmed, testified under oath as follows:

21 THE WITNESS: I do.

22 THE COURT: Please be seated.

23 When you're ready, tell us your first and last name, and

24 spell them both for the record. Thank you.

03:58:36 25 THE WITNESS: William Leahy, W-I-L-L-I-A-M, Leahy,

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1 L-E-A-H-Y.

2 THE COURT: Good afternoon.

3 You may proceed.

4

03:58:41

5 DIRECT EXAMINATION

6 BY MS. VAN MARTER:

7 Q Good afternoon.

8 Have you previously testified before this Court in this
9 case regarding your role in the investigation?

03:58:50

10 A Yes.

11 Q And were you formerly employed by the FBI?

12 A Yes.

13 Q Are you now retired?

14 A Yes.

03:58:55

15 Q And how long were you with the FBI?

16 A Uh, 26 years.

17 Q And were you assigned specifically to a task force?

18 A Uh, yes.

19 Q And how long did you work with the task force while with
20 the FBI?

03:59:07

21 A Um, approximately ten years off and on because I was a
22 supervisor for some of that time.

23 Q And you previously testified as to your training and
24 experience in the investigation of large-scale drug trafficking
03:59:21 25 organizations here in this district?

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1 A Yes.

2 Q Did you become involved in an investigation regarding Ivan
3 Calvillo?

4 A Yes.

03:59:27 5 Q And when did you first become involved in that
6 investigation?

7 A You could probably say back as far as 2010.

8 Q And are you familiar, then, with how that investigation has
9 continued on up until the present day, specifically to include
03:59:46 10 Mr. Jese Casillas?

11 A Yes.

12 Q And have you been a party to that investigation during that
13 entirety up until the time of your retirement --

14 A Yes.

03:59:53 15 Q -- and after?

16 A Yes.

17 Q I'm going to ask you just a couple of questions.

18 Were you familiar with the arrest and seizure involving
19 Ivan Calvillo down in California during the course of the
04:00:05 20 investigation?

21 A Yes.

22 Q And could you just briefly tell the Court what occurred.

23 A Um, my recollection is that, uh, he was arrested down there
24 with a couple of other individuals by Pomona, I think it was
04:00:20 25 city police department, if I recall correctly. Um, and it was a

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1 reverse where they, uh, obtained approximately \$400,000 cash
2 from Calvillo. Essentially task forces down in California take
3 the money.

4 We got wind of it, um, and Ms. Van Marter and Darren Pitt
04:00:44 5 with his began to draft an affidavit for his arrest, uh, up here
6 in the Eastern District of Washington. We were told by his down
7 there that they would hold him until that was done.

8 Somehow administratively his let him go before the
9 paperwork could be, uh, put on him, essentially.

04:01:08 10 Q And was that based upon the ongoing investigation into Ivan
11 Calvillo out of this district at that time?

12 A Yes, it was.

13 Q And --

14 THE COURT: This was the Pomona Police Department?

04:01:18 15 THE WITNESS: Yes.

16 BY MS. VAN MARTER: (Continuing)

17 Q Was that associated with a task force as well down in that
18 area of California?

19 A It was a task force, and I can't recall if it was the
04:01:26 20 Pomona PD task force, if it was -- it was either a county or a
21 local task force, and that's why I'm not sure if it -- if it was
22 Pomona city or county.

23 Q And at that time were -- was the FBI in the process of
24 trying to go up on a Title III on Ivan Calvillo's phone?

04:01:44 25 A We were.

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1 Q So once we received word in this district, was there then
2 efforts to get Mr. Calvillo into custody?

3 A Yes.

4 Q And then he was deported instead?

04:01:55 5 A Correct.

6 Q And based upon your communications, then, with some of
7 those task forces down there, is deconfliction difficult in
8 terms of their state-level investigations comparative to what is
9 going on in a federal investigation?

04:02:10 10 A At times, yes.

11 Q And based on your understanding, did they not have access
12 to or properly deconflict their target at that time?

13 THE COURT: A what?

14 MS. VAN MARTER: Deconfliction.

04:02:21 15 BY MS. VAN MARTER: (Continuing)

16 Q What is deconfliction?

17 A So deconfliction is knowing that, for example, that we are
18 working Mr. Calvillo as a target here in the Eastern District of
19 Washington. And there was not a deconfliction done.

04:02:37 20 THE COURT: So this is an effort to cooperate so you
21 deconflict?

22 THE WITNESS: It's an effort to cooperate so that we all
23 work together.

24 THE COURT: Okay. Thank you.

04:02:45 25 BY MS. VAN MARTER: (Continuing)

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1 Q And after that point in time, then, did we lose the ability
2 to obtain a Title III on Mr. Calvillo?

3 A Yes. He was deported to Mexico and -- and at that point
4 knew we were investigating him and chose not to come back to the
04:03:00 5 United States.

6 Q And after that did he remain, then, in Mexico until the
7 time of his death, as best we can tell?

8 A As best as we know.

9 Q And did the investigation, however, continue into his --
04:03:11 10 other individuals that may have been operating on behalf of the
11 organization here in the district?

12 A Yeah. Essentially what our focus was is once -- once he
13 was deported, we were trying to ascertain who took -- was going
14 to take over for him here in this area.

04:03:27 15 Q And based on your training and experience and knowledge of
16 this investigation as it operates here in this district with
17 this organization, typically what is put in place in terms of
18 who is in charge and what they're in charge of?

19 A There's typically one person put in charge of the
04:03:44 20 organization here, um, in -- in the Eastern District of
21 Washington and, uh, into other states and obviously up into
22 Canada. Um, that person would be in charge of the distribution,
23 um, obtaining the drugs from Mexico, and also the money part of
24 the transactions.

04:04:04 25 Q And are there other people who play roles in the

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1 organization, for instance, in the California area?

2 A Yeah. Um, for example, I think that Mr. Cepero testified
3 that money was wired to California. Um, obviously the -- the
4 narcotics has to come from Mexico into the United States and
04:04:25 5 this --

6 MR. VIETH: Your Honor, I'm going to object on
7 speculation. I think he can testify to what he knows, but what,
8 you know, the witness has already testified to, I already heard
9 that part.

04:04:34 10 THE COURT: No, I'm going to permit this.

11 I had -- I want to make a record that we've had a
12 hearing qualifying him as an expert in this case. It's of
13 record. So there was a challenge to his expertise. I had a
14 hearing. He testified. Defense counsel were there. And so, of
04:04:51 15 record, I found that he was qualified to give opinions about
16 DTOs and money laundering. And I believe that, Mr. Vieth,
17 you'll find that as an order in the file to that effect.

18 MR. VIETH: I believe I was present, Judge, so I will
19 retract my objection.

04:05:07 20 THE COURT: I'm glad that you remember you were present.
21 Thank you. And I accept your withdrawal.

22 Okay, Mr. Leahy.

23 A So, for example, uh, drugs would come across from Mexico
24 into California with this organization, and then from California
04:05:21 25 be shipped up here. And we know that from people that we have

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1 arrested, cooperators, um, et cetera.

2 BY MS. VAN MARTER: (Continuing)

3 Q And even during the course of the early part of this
4 investigation, was there a defendant arrested out of the
04:05:36 5 California area by the name of Rulas Hernandez?

6 A Yes.

7 Q And was that a second part of this investigation that also
8 involved an Alberto Hernandez?

9 A Yes, it was -- yes.

04:05:45 10 Q And --

11 THE COURT: Just for the record, you're offering his
12 testimony as an expert as well as his percipient witness
13 testimony to the extent that -- you need to clarify when it's
14 percipient and when it's expert. Okay?

04:05:58 15 MS. VAN MARTER: Yes, Your Honor.

16 THE COURT: So far I understand it's DTO expertise.

17 MS. VAN MARTER: I am asking specifically about this
18 investigation now, about this drug trafficking organization and
19 his knowledge.

04:06:07 20 THE COURT: That's percipient.

21 MS. VAN MARTER: Yes.

22 BY MS. VAN MARTER: (Continuing)

23 Q So in that particular investigation, did you also identify
24 a woman by the name of Rosa?

04:06:14 25 A Yes.

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1 Q And who was Rosa?

2 A She was the wife of the individual that you just mentioned.

3 Q Rulas Hernandez?

4 A Yes.

04:06:22 5 Q And what was Rulas Hernandez's role in the organization at
6 that time?

7 A Well, um, it's debatable, but our understanding is that he
8 was in charge of, uh, bringing narcotics from Mexico up to
9 California. And then his brother was put in charge up here in
04:06:43 10 Tri-Cities, and, uh, he was, uh, the -- the drugs would be sent
11 from Rulas up here to Beto.

12 Q And would then Beto be in charge of disbursing them --

13 A Yes.

14 Q -- into Canada and elsewhere?

04:06:57 15 A Yes. And Ivan Calvillo at the time was in charge of the
16 two -- two brothers.

17 Q And when this was happening, that was when Ivan was in
18 Mexico.

19 Is that correct?

04:07:05 20 A Yes. That's true.

21 Q So when you were -- previously testified that somebody is
22 usually put in charge in this district, was that Rulas Hernandez
23 in California and Beto Hernandez here in the Eastern District of
24 Washington?

04:07:17 25 A That's correct.

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1 THE COURT: So it's Ruelas, R-U-E-L-A-S, [sic]
2 Hernandez?

3 MS. VAN MARTER: Yes.

4 BY MS. VAN MARTER: (Continuing)

04:07:24

5 Q And did Rosa come up again during the course of this
6 investigation when the money laundering part of it started
7 through Officer Cepero?

8 A She did.

9 Q How so?

04:07:35

10 A She was sent by Mr. Calvillo to Australia to coordinate,
11 um, the distribution of narcotics in Australia.

12 THE COURT: And what is her actual name? You say
13 "Rosa," and I wanted to make sure I knew --

14 MS. VAN MARTER: Rosa Hernandez, Rulas Hernandez's wife.

04:07:51

15 THE COURT: Okay.

16 THE WITNESS: Yeah. I'm not sure if it's Hernandez.

17 I -- I've been retired for a year. Sorry, Judge.

18 BY MS. VAN MARTER: (Continuing)

19 Q And eventually were Beto and Rulas also arrested?

04:08:05

20 A Yes.

21 Q And in your --

22 THE COURT: And Beto is who?

23 MS. HOLLAND: Beto Hernandez Ramirez.

24 THE COURT: Okay. Thank you.

04:08:14

25 BY MS. VAN MARTER: (Continuing)

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1 Q After their arrest, were there other individuals, then, put
2 into charge up here in the Eastern District of Washington
3 regarding operations?

4 A Yes.

04:08:22 5 Q And did you know one of those to be somebody referred to as
6 AR-15?

7 A Yes.

8 Q And that's Juan Pablo Gonzalez Mendoza?

9 A Yes.

04:08:32 10 Q And after -- and was he ultimately arrested?

11 A Yes, he was.

12 Q And at some point in time did you come to understand if
13 Mr. Casillas played a role with respect to this district?

14 A Yes.

04:08:43 15 Q And what role was that?

16 A Our understanding was, is that he took over for this -- for
17 this organization, um, this territory.

18 Q And when taking over for this territory, you had mentioned
19 transportation also up into Canada. I believe you previously
04:09:00 20 testified about a trail system.

21 Are you familiar with that?

22 A Yes.

23 Q And was there a trail system specifically utilized by this
24 organization that originated out of this district?

04:09:10 25 A Yes.

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1 Q And what was that?

2 A Um, there was basically a trail system where, uh, they
3 would drive up to Oroville, and then at nighttime cross over the
4 border into Canada with backpacks, um, typically containing
04:09:24 5 narcotics to take up to Canada. And sometimes they would bring
6 back cash into the United States.

7 Q And based upon this investigation, did you understand those
8 that were in charge in this district would also be responsible
9 for the movement of those narcotics into Canada and cash drug
04:09:44 10 proceeds back down?

11 A Yes.

12 Q I'm going to direct your attention to Government's Exhibit
13 No. 1; specifically, the April of 2015 time period.

14 Were you still a part of this investigation at that time?

04:10:02 15 A Yes, I was.

16 Q And did you have a confidential human source that had been
17 tied into this organization for a number of years?

18 A Yes.

19 Q And did that confidential human source first come to you
04:10:12 20 and identify Mr. Casillas?

21 A Yes, he did.

22 Q And how so?

23 A Uh, he indicated that, um, he had been requested to, uh,
24 give a load car by Mr. Calvillo to Mr. Casillas.

04:10:30 25 Q And was that the Mini Cooper?

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1 A Yes.

2 Q Was there a second load car that Mr. Casillas also
3 requested?

4 A Yes. It was a Sebring, and I can't recall which -- there
04:10:40 5 were two Sebrings, so I'm not going to remember which one.

6 Q Did this organization utilize multiple load vehicles?

7 A Yes.

8 Q And what was the purpose of Mr. Casillas wanting access to
9 these two load vehicles?

04:10:53 10 A Uh, to transport narcotics.

11 Q And this is separate and apart from what you later learned
12 to be his involvement with the money laundering aspect of this
13 investigation and Officer Cepero?

14 Well, let me rephrase the question.

04:11:10 15 These are additional activities from the money laundering
16 part of the investigation with Officer Cepero?

17 A They're different than the wire transfer part of the
18 investigation because there was money, um, being physically
19 distributed using vehicles, et cetera.

04:11:28 20 Q And I just scrolled up. There's a box there that
21 references surveillance of the Mini Cooper.

22 Did your task force surveil and confirm the defendant, as
23 well as his wife, in possession of the Mini Cooper, the load
24 vehicle?

04:11:44 25 A Yes.

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1 Q And who is Daisy Camacho?

2 A The defendant's significant other.

3 Q And did he also have other significant others identified
4 during the course of the investigation?

04:11:55 5 A There was a girlfriend; Brittany Zaragoza, I believe.

6 Q And during this time period, was there identification of
7 potential drivers for Mr. Casillas?

8 A Yes.

9 Q And who was the potential driver that was identified?

04:12:19 10 A Um, there were multiple drivers. Um, one was Juan -- Jose
11 Adrian Mendoza. Um, he was surveillanced [sic] going up to --
12 to the Canadian border, I think, multiple times by us.

13 Q And, again, is this consistent with the previous area that
14 had been identified as the trail system utilized by the
04:12:44 15 organization?

16 A Yes, it was.

17 THE COURT: Who is his wife or significant other, the
18 defendant's?

19 BY MS. VAN MARTER: (Continuing)

04:12:50 20 Q Who is Mr. Casillas' wife or --

21 A Daisy.

22 THE COURT: Daisy what?

23 THE WITNESS: Uh, Camacho, I believe.

24 THE COURT: Camacho?

04:13:00 25 BY MS. VAN MARTER: (Continuing)

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1 Q Camacho?

2 A I believe so.

3 THE COURT: Okay. Thank you.

4 BY MS. VAN MARTER: (Continuing)

04:13:02 5 Q And I think if we look right here, she's identified
6 (indicating).

7 Is that --

8 A Yeah, it's Daisy Biviano Camacho Duarte.

9 THE COURT: There you go. Thank you. Camacho Duarte.
04:13:15 10 Thank you.

11 BY MS. VAN MARTER: (Continuing)

12 Q And so while the money laundering aspect of the
13 investigation was ongoing, you were also tracking and
14 surveilling load vehicles and identification of Jose Adrian
04:13:29 15 Mendoza; is that correct?

16 A Yes.

17 Q Did there come a time during this investigation that you
18 identified a residence associated with Mr. Casillas?

19 A Yes.

04:13:42 20 Q And do you recall what residence that was?

21 A It was in Kennewick, I believe, right off of Kennewick
22 Avenue by the golf course there. I can't remember -- I can't
23 recall the address at this time.

24 Q Does 8 North Palouse sound about right?

04:13:54 25 A That's it.

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1 Q And based upon the investigation, did you ultimately put up
2 a pole camera outside that residence?

3 A Yes, we did.

4 Q And do you recall approximately when that pole camera was
04:14:06 5 placed?

6 A I believe it was very close to -- well, no. It would have
7 been in the spring after the death of Calvillo, so it would have
8 been in the spring of 2016.

9 Q Mr. Calvillo was killed in December 2015?

04:14:22 10 A Yes.

11 Q Okay. And you began the pole camera outside the residence,
12 and what was the purpose of that?

13 A Uh, surveillance to figure out who was coming and going
14 from the residence, uh, to determine, uh, load cars, uh, load
04:14:38 15 drivers; uh, those types of things.

16 Q Were you also able to ever identify any distributors?

17 A Uh, yes.

18 Q And were you able to identify load cars coming to the
19 residence?

04:14:50 20 A Yes.

21 Q And some of these distributors, were you able to effectuate
22 traffic stops and seize quantities of narcotics?

23 A Yes.

24 Q And what type of narcotic?

04:15:00 25 A Um, my recollection, it was meth -- all methamphetamine.

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1 Q And in this particular organization, did they typically
2 transport certain narcotics up into Canada and leave certain
3 narcotics here in the United States?

4 A Yes.

04:15:13 5 Q And what was that and why?

6 A Uh, methamphetamine was, uh, the, uh -- what do I want to
7 say? The -- there was a need for it in, uh, in the Dakotas, so
8 that's why most of the methamphetamine, they could get a better
9 price for it there. The cocaine, the best price they could get
04:15:37 10 for it was in Canada, so the cocaine would go to Canada. And
11 the meth would go out towards, uh, South Dakota, North Dakota,
12 and Minneapolis, Chicago.

13 Q And was there also a time that heroin came into the picture
14 during the course of the investigation?

04:15:52 15 A Uh, yes.

16 Q And was -- was heroin more expensive up in Canada than here
17 in the United States?

18 A Yes.

19 Q I'm going to ask you, at some point in time you became
04:16:04 20 aware of the money laundering investigation as well as the RCMP
21 involvement; is that correct?

22 A Yes.

23 Q And were you receiving information then from Officer Cepero
24 regarding money wire transfers that may have been occurring in
04:16:16 25 this district?

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1 A Yes. We were trying to coordinate those to see whether the
2 wire transfers coordinated with movement of load vehicles.

3 Q And during the course of that part of the investigation,
4 did you identify if Mr. Casillas received money wire transfers?

04:16:33 5 A Yes.

6 Q Did you also identify if any of his family members received
7 money wire transfers?

8 A Yes, they did.

9 THE COURT: When you say "wire transfers," are you
04:16:52 10 talking about the drug trafficking organization's money
11 laundering?

12 THE WITNESS: No. So Mr. Cepero would get directions
13 from Casillas after doing a money exchange, and then he would be
14 asked to wire --

04:17:10 15 THE COURT: Right.

16 THE WITNESS: -- funds, and those funds would go to
17 people that he may not have known who they were but we did.

18 THE COURT: But these were proceeds from drug
19 transactions.

04:17:21 20 THE WITNESS: Yes.

21 THE COURT: Okay.

22 BY MS. VAN MARTER: (Continuing)

23 Q I have now showed you Government's Exhibit No. 1. I've
24 scrolled to the December 2015 time frame, December all the way,
04:17:34 25 actually, through March.

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1 So we see here some more representation of cash money wire
2 transfers; is that correct?

3 A Yes.

4 Q And, again, these are from the cash drops that occurred at
04:17:49 5 the direction of Mr. Calvillo, Ivan, and then Mr. Casillas
6 during the course of the investigation; is that correct?

7 A Yes.

8 Q There's one here (indicating). And who is that?

9 A That is, uh, Mr. Casillas' significant other.

04:18:06 10 Q And did you determine where she was living during the
11 course of the investigation?

12 A Uh, she was living with -- with him for -- for most of the
13 investigation. I think he -- he actually moved out for a very
14 short time.

04:18:20 15 Q Okay. Then again -- and what was the amount of this
16 February 26th, 2016, cash wire transfer?

17 A \$5,000.

18 Q Oh, I'm sorry. This one first (indicating).

19 A \$2,411.

04:18:34 20 Q And then there was another one referenced over here
21 (indicating), and how much was that?

22 A \$5,000 on, it looks like, November -- I can't see it. The
23 blue line is through it. March of 2016.

24 Q And then another one here (indicating).

04:18:51 25 A Again, March of 2016, \$5,000.

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1 Q And did you also know Julio Cesar Rosales?

2 A Yes.

3 Q And who did you understand Mr. Rosales to be?

4 A I believe he was a cousin who lived down in Los Angeles.

04:19:06 5 Q And did you know who a Cindy Alvarado was?

6 A Uh, a girlfriend of Rosales', I believe. That's a stretch
7 for my memory.

8 Q As well as Mr. Gudino Chavez and Claudio Franco. Were
9 those also associates down in Los Angeles area?

04:19:27 10 A They were associates, yes.

11 THE COURT: Associates of whom?

12 THE WITNESS: Of Julio Cesar Rosales and, I believe, of
13 Mr. Casillas.

14 BY MS. VAN MARTER: (Continuing)

04:19:42 15 Q Okay. I'm going to take you over here to -- here we are
16 again, the individuals (indicating).

17 And Brittany Zaragoza, who did you understand Ms. Zaragoza
18 to be?

19 A Girlfriend of Mr. Casillas.

04:19:58 20 Q And, again, the same individuals you previously testified,
21 additional cash money wire transfers to Julio Cesar Rosales and
22 Salvador Gudino Chavez?

23 A Yeah.

24 Q And did you become familiar with who a Luis DeDios Valdez
04:20:17 25 or a Rosa Duarte DeDios were?

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1 A Yes.

2 Q And who were they?

3 A The father and mother of Daisy Camacho.

4 Q And did you also become familiar with La Hacienda Mexican
04:20:36 5 restaurant?

6 A Yes.

7 Q And what was that?

8 A It was a restaurant, I believe, in Hermiston that the
9 DeDioses were running with, um, another person. I can't

04:20:48 10 remember the name, but it may be this Martha Echeverria, but I
11 can't recall.

12 Q And after Mr. Casillas' arrest, did individuals with your
13 task force go and interview Ms. Camacho's parents regarding some
14 of these cash wire transfers?

04:21:07 15 A Yes.

16 Q And what was the purpose of that interview?

17 A Uh, to find out what they were for and, uh, basically -- my
18 recollection, again, a little fuzzy, but is that they admitted
19 to receiving the funds, but felt that the funds were from his
04:21:29 20 employment, Mr. --

21 Q And what employment did they think he had?

22 A He was employed, um, with a lawn service company, I
23 believe, in the Tri-Cities.

24 Q So they believed that the total of \$18,000 in this May,
04:21:47 25 June time period came from Mr. Casillas' landscaping business?

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1 A I think it was 15,000. I think there was one transaction
2 that didn't go through, if I remember correctly. But, yes, to
3 answer your question.

4 Q Okay. And I've scrolled over on Government's Exhibit No. 1
5 to this area here (indicating).

6 There are a number of additional cash wire transfers
7 represented there; is that correct?

8 A Yes.

9 Q And you were previously here for the testimony regarding
10 additional cash money drops that were occurring during this time
11 period at the direction of Mr. Casillas?

12 A Yes.

13 Q And, again, there are some cash wire transfers to the
14 restaurant and the parents of Daisy Camacho?

15 A Yes.

16 Q Based on your training and experience -- and this is
17 generalized testimony -- in investigating drug trafficking
18 organizations, is it common for individuals involved to try and
19 disburse their funds through legal methodologies or legal
20 businesses?

21 A Yes.

22 Q And why is that?

23 A It's a way to, uh, cover up the money, to launder the
24 money, essentially.

25 Q And is it also your training and experience that

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1 individuals who may receive some of these deposits may not
2 understand necessarily the exact origin of the funds?

3 A Yes.

4 Q So would a restaurant pose an ability to hide funds --

04:23:17 5 A Yes.

6 Q -- drug proceeds, I should say?

7 A Yes, especially if it's a cash business.

8 Q And, for the record, these deposits are June 3rd to

9 Brittany Zaragoza, \$3,000; July 1st, 2016, in the amount of
04:23:32 10 \$4,162 to the restaurant; July 5th, 2016, in the amount of \$3500
11 to Rosa DeDios; July 1st, 2016, in the amount of \$3500 to Luis
12 DeDios; and, again, \$4700 on July 20th to Rosa DeDios; and
13 another, looks like, \$265 to the restaurant on July 5th, and
14 another 3,000 on August 15th, 2016.

04:24:01 15 Is that correct?

16 A Yes.

17 Q And back to this specific organization, based on your
18 experience in investigating this organization, are individuals
19 who are part of it always paid in cash?

04:24:14 20 A No. Um, cash is very troublesome. Um, as Mr. Cepero, I
21 believe, explained earlier today, uh, it's very difficult to,
22 uh, launder the cash, and it costs money to do that. So a lot
23 of times, um, the individuals in Mexico will -- they like to pay
24 in -- in product instead of cash.

04:24:41 25 Q And why is that?

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1 A Just like I said, it's difficult to launder the money, and
2 it's a lot easier to pay in product.

3 Q And when you say "pay in product," what do you mean?

4 A Uh, in narcotics.

04:24:53 5 Q And so typically how would that work?

6 A So if -- if -- for example, if -- if somebody is receiving
7 10 kilos here in the Tri-Cities, they would receive 12 instead,
8 and the two extra kilos would be theirs to sell for their own
9 profit.

04:25:13 10 Q In this particular case, were you present during kind of
11 the last operation involving Mr. Casillas, specifically the
12 12-kilo transaction of what ended up being fentanyl?

13 A Yes.

14 Q And did you have individuals in place surveying his
04:25:29 15 residence prior to the transaction?

16 A We had a surveillance camera, and I had somebody monitoring
17 the camera that morning.

18 Q And did you see what you believed to be the product arrive
19 to Mr. Casillas' residence?

04:25:40 20 A Yes.

21 Q And do you know if Mr. Casillas was able to take a
22 percentage of or any product from that delivery?

23 A I do not, no.

24 Q And then that delivery was ultimately followed to the
04:25:55 25 Seattle area; is that correct?

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1 A Yes.

2 Q I wanted to show you just a couple -- there's previously
3 been testimony that that product ended up being fentanyl.

4 Are you aware of that?

04:26:12 5 A Yes.

6 Q And at the time did law enforcement know that that was
7 going to be fentanyl?

8 A No.

9 Q Was -- were you familiar with fentanyl at that time?

04:26:23 10 A I was familiar with it, but, uh, not like I am now.

11 THE COURT: Is this where people think they're buying
12 heroin but it's fentanyl or a mixture of fentanyl and heroin?

13 THE WITNESS: Yes. So a lot of times it will be a
14 mixture. Sometimes it will be straight fentanyl. And

04:26:54 15 that's where --

16 THE COURT: That's much more powerful.

17 THE WITNESS: Yeah. And that's where you saw a lot of
18 the overdoses. A lot of that was going on, I want to say,
19 approximately two years ago now. There was -- it became a major
20 problem.

04:27:07

21 BY MS. VAN MARTER: (Continuing)

22 Q I am showing you what I would like to mark as Government's
23 Exhibit Nos. 12 and 13; specifically, images from that seizure
24 of the fentanyl.

04:27:18 25 At the -- first, do you recognize this first photo?

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1 A Yes, I do, but I can't recall if it's because I actually
2 saw it or because it was sent to me via photo through e-mail,
3 and I think it was through e-mail.

4 Q And this was -- was this from Seattle DEA when they seized
5 the product?

6 A Yeah.

7 Q And is this a capture of what the outside packaging looked
8 like --

9 A Yes.

10 Q -- on the fentanyl?

11 And is it common for individuals or for drug trafficking
12 organizations such as this to mark their product?

13 A Lots of times the laboratories will mark their product.

14 Q So there's a marking on the outside.

15 And did you receive contact from the Seattle agents when
16 they opened the product and realized that this was not heroin?

17 A Yes.

18 Q And how did they describe that?

19 A Uh, they -- they thought that it possibly was fentanyl, um,
20 and they sent it to the lab to be tested.

21 Q Immediately closed it up and sent it off?

22 A That's correct.

23 Q And Government's Exhibit No. 13, there's some stamping on
24 the inside of the product?

25 A Yes.

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1 Q And do you recall if that was a devil-type stamping?

2 A I don't recall.

3 Q And, again, marking of the particular product from the
4 organization?

04:28:35 5 A Yes.

6 MS. VAN MARTER: If I could have a moment, Your Honor.
7 (Counsel conferring.)

8 MS. VAN MARTER: I don't have any other questions, Your
9 Honor.

04:28:48 10 THE COURT: Mr. Vieth?

11 Thank you.

12

13 CROSS-EXAMINATION

14 BY MR. VIETH:

04:28:57 15 Q As an expert in drug trafficking organizations, would you
16 agree that there is a hierarchy within the organization?

17 A Yes.

18 Q That there's bosses and leaders, there's managers, and then
19 ultimately you've got, you know, I guess the street folks that
04:29:23 20 are selling whatever it is that they're distributing?

21 A I wouldn't say it's that clear-cut.

22 Q How would you describe it, then, for the drug trafficking
23 organization that we're dealing with?

24 A I think that what you have is you have bosses in areas that
04:29:44 25 are working for the organization. That's how I would describe

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1 it. And then from there you have people that are carrying out
2 functions for those bosses.

3 Q Were you here when Agent Cepero was testifying?

4 A Yes.

04:30:00 5 Q Were you here when Agent Cepero described my client as a
6 middleman?

7 A Yes.

8 Q And that the bosses were in Mexico?

9 A Yes.

04:30:14 10 Q Would you agree with the agent?

11 A I would say that -- that the most powerful people would be
12 in Mexico, yes.

13 Q And it's my understanding that you had a supervisory role
14 in this investigation.

04:30:26 15 Is that correct?

16 A No, I was a supervisor of the office in Richland.

17 Q Okay. What was your involvement in this particular case?

18 A Uh, at times I was the agent that was in charge of the
19 investigation. Um, at other times I was the task force
04:30:45 20 coordinator. Um, at -- at other times, uh, other investigators
21 had parts of the investigation.

22 Q Was Agent Cepero the lead investigator on it?

23 A He -- he was the lead investigator on the financial side of
24 it from -- from Boston.

04:31:05 25 Q And so, again, I guess when he testified that my client was

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1 a middleman and he took orders from the bosses, is -- is that
2 accurate?

3 A He -- he took orders from people in Mexico, no doubt about
4 it. But was he the boss here for a while? In my opinion as an
04:31:31 5 expert, yes, he was.

6 Q And when he was having to check in with his bosses about
7 price --

8 A Um-hmm.

9 Q -- it's in your opinion that he's still a boss, even though
04:31:46 10 he can't make that decision without another boss telling him yes
11 or no?

12 A Yes.

13 Q Can you explain that?

14 A So he's in charge of this territory.

04:32:03 15 Q But he can't make a decision as to price.

16 A No, because he's new. He's got to prove himself.

17 Q So wouldn't that lessen his role to a middleman?

18 A He's -- he's -- he's still got the same role. He just
19 doesn't have the power because he hasn't -- he's not Ivan
04:32:21 20 Calvillo. He has not built up his stature here.

21 Q So he --

22 A And -- and you have to realize that there were several
23 people that had been put into this position that had been
24 arrested rather quickly.

04:32:34 25 Q As middlemen --

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1 A No, as bosses.

2 Q -- or the bosses?

3 A As bosses.

4 Q So it's my understanding that the bosses are in Mexico.

04:32:43 5 It's my understanding that the drugs are coming up from Mexico.
6 And then it's my understanding that the money is owned by those
7 bosses in Mexico.

8 Is that accurate?

9 A The money is -- yeah, you could --

04:32:57 10 Q I'm using the agent's words.

11 A Whether you want to say it's owned by the cartel, who in
12 the cartel, what -- what you want to call them, does the cartel
13 own the dope at the end of the day, does the cartel own the
14 money at the end of the day? Yes, they do.

04:33:13 15 Q And that's exactly what the agent testified to. And I'm
16 asking you, as an expert, was he accurate in saying that, that
17 it's not owned by my client, it's owned by the bosses?

18 A It's owned by the cartel.

19 Q He described -- he said "bosses."

04:33:25 20 A I will say "cartel."

21 Q Okay. When -- it's my understanding that surveillance on
22 my client's residence was extensive.

23 Is that accurate?

24 A Yeah.

04:33:47 25 Q And there was a pole camera up.

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1 A Yes, there was.

2 Q And that camera shot constant video of my client's
3 residence.

4 A Yes.

04:33:55 5 Q Was there ever a hiccup in there? Was there ever a cutoff?
6 Do you know?

7 A I would have to talk to the agent that was actually the one
8 monitoring it to -- I -- I -- with technology, I would say yes.

9 Q And so from the spring of 2015 to August of '16, is it your
04:34:16 10 understanding that there was constant surveillance, including a
11 pole camera, on my client's residence?

12 A I can't be certain of the dates at this point, um, but
13 if -- if that's what documents say, then I would say yes.

14 Q A little over a year. Can we agree there?

04:34:34 15 A I think that's approximately correct.

16 Q And how many times, in your recollection, were there any
17 reported instances of drug activity at my client's house?

18 A There was a lot of suspicious activity --

19 Q I'm not talking about suspicion. I'm talking about
04:34:57 20 knowing, confirming that there was either drugs in the house or
21 that there was money associated with drug --

22 A So I -- I believe there were four stops done, based upon
23 what you're asking.

24 Q So four times -- am I accurate: Four times over the
04:35:17 25 year-plus that there was constant surveillance is when you can

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1 pinpoint that there was either drugs or drug money in my
2 client's house?

3 A Yes, because we actually -- we -- we did warrants and got
4 drugs --

04:35:33 5 Q Okay.

6 A -- on four occasions.

7 Q Four times over a year.

8 A Approximately, based on my recollection at this time.

9 Q And did you -- is it your training and experience that when
04:35:50 10 those video cameras are up, that those are thoroughly reviewed
11 by FBI agents or DEA agents to make sure that if there's any
12 suspicion or anything else, that they can confirm the accuracy
13 of what they're suspicious of?

14 A So it -- it depends. If -- if we are coordinating with
04:36:17 15 somebody like Mr. Cepero and we know some things are happening,
16 the guys are going to monitor the cameras more closely.

17 But to say that I have somebody monitoring those cameras
18 24/7, no, that does not happen. Um, there are weeks where we
19 get busy on other -- other investigations.

04:36:38 20 Do the guys try to go back and review them? Yes. But if
21 we go back and review them, at that point it's -- it's outdated,
22 and there's nothing we can do with that information because the
23 load is already gone or the activity has already happened.

24 Q Well, I think we can all agree that, you know, nobody is
04:36:54 25 perfect, and some things are missed. But for the most part, you

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1 do your best and you try to catch every possible hint of
2 evidence that may end up supporting a search warrant or whatever
3 it is that you want to accomplish; is that right?

4 A We try, with the limited resources we have, which means
04:37:13 5 that, you know, there are days where -- lots of days where it's
6 not reviewed until a week or two later.

7 Q In regard to the money that was taken or being wired to my
8 client, to his friends and family, and to his wife, my total is
9 approximately \$20,000 to my client.

04:37:39 10 Is that --

11 A Based on your figures, I can't dispute it.

12 Q Okay. It's a little under that. It's 19,000 and change,
13 but ...

14 And then I have approximately 35,000 additional going to
04:37:53 15 friends and family.

16 Does that sound --

17 A I -- based on your calculations.

18 Q Okay. And then another 10,000 to his wife? I think you
19 testified to two \$5,000 transactions?

04:38:05 20 A I believe that's --

21 Q Or was it 15? Fifteen. Sorry.

22 A Okay.

23 Q So I have approximately \$70,000 coming to my client, my
24 client's friends, his wife.

04:38:22 25 A (Nodded.)

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1 Q Would you agree with me that that is actually less than
2 what the DEA was able to take from their 6 percent percentage?

3 A I believe, based on your earlier calculations that I heard
4 in this courtroom, that is less.

04:38:51 5 Q So that would have -- it's less than 6 percent from the 1.6
6 that was totaled.

7 A That's correct, based on your calculations.

8 Q And in your training and experience, when divvying up the
9 proceeds from the sale of narcotics, do bosses usually take the
04:39:14 10 majority of the proceeds?

11 A Yes.

12 MR. VIETH: No more questions. Thank you.

13 THE COURT: Any cross --

14 MS. VAN MARTER: No, Your Honor.

04:39:32 15 THE COURT: -- or redirect?

16 MR. VIETH: No, Judge. Thank you.

17 THE COURT: Thank you.

18 Tell me, do you have any -- remind me, is this the
19 witness that was going to demonstrate or testify to the amount
04:39:42 20 of drugs transported from this district into Canada, 20 to
21 40 kilos? Or has that already been done by the first witness or
22 second -- first witness?

23 MS. VAN MARTER: Your Honor, I believe that that was
24 already a part of the record over time from previous testimony
04:39:58 25 of this witness and other witnesses, so I didn't -- I wasn't --

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1 THE COURT: When you say "other witnesses," you mean
2 when?

3 MR. VIETH: During the suppression hearing process and
4 some of the documents that were admitted as exhibits during that
04:40:11 5 time period.

6 THE COURT: Okay. And the seizure that occurred in
7 British Columbia that was talked about, I'm trying to recall how
8 much -- I probably have his testimony here.

9 MS. VAN MARTER: Your Honor, I believe it's in --

04:40:30 10 THE COURT: They seized -- they searched the car, and
11 they found quite a bit in the car, backpacks, et cetera.

12 THE WITNESS: I believe it's one kilo of heroin, ten of
13 coke.

14 MS. VAN MARTER: Your Honor, I'll pull it up on
04:40:43 15 Government's Exhibit No. 1. There's actually a number of
16 seizures that are noted on Government's Exhibit No. 1.

17 THE COURT: That's in the timeline?

18 MS. VAN MARTER: Yes, Your Honor.

19 THE COURT: Okay. So that would demonstrate the facts
04:40:53 20 supporting your position that this was the amount of drugs?

21 MS. VAN MARTER: Yes, Your Honor. In fact, there is --
22 so that -- showing right now, August 27th, 18 kilos of meth,
23 4 kilos of cocaine, and a smaller amount of heroin, handguns,
24 and cash.

04:41:08 25 THE COURT: Where is that, please?

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1 MS. VAN MARTER: (Indicating.)

2 THE COURT: Okay. Thank you.

3 MS. VAN MARTER: But that also is a matter of record in
4 the suppression hearing and all of the documents that were
04:41:19 5 provided during the Mr. Zambrano --

6 THE COURT: Okay. Thank you.

7 MS. VAN MARTER: And Mr. -- or, I'm sorry, and RCMP
8 Barlow also testified to the quantity. And then there's some
9 previous references to seizures, Your Honor, from backpackers in
04:41:37 10 the timeline.

11 THE COURT: Okay. Thank you.

12 MS. VAN MARTER: Yes, Your Honor.

13 THE COURT: I have no other questions. Thank you.
14 You may step down.

04:42:06 15 MS. VAN MARTER: I do not have any other witnesses, Your
16 Honor.

17 THE COURT: Do you have witnesses?

18 MR. VIETH: No, Your Honor. My client does wish to make
19 a statement, though.

04:42:13 20 THE COURT: Well, I'm sure he does, but we have a lot of
21 talk about. We've got objections, discussions about your
22 objections to the PSIR.

23 And how would you like to proceed? Because we're not
24 going to have enough time to get all of this done. And I say
04:42:26 25 that -- I mean, I'm happy to spend a half an hour, but that's --

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1 that's all I'm going to spend.

2 So the question is how do you want to handle this?

3 You've got people from Spokane and Idaho; you do, Mr. Vieth, you
4 and your colleagues.

04:42:41 5 So how do you want to handle this?

6 MR. VIETH: Judge, I think we're going to have to
7 continue it, unfortunately. And --

8 THE COURT: Well, when would you like to conclude?

9 MR. VIETH: I think we conclude now, and then we save
04:42:54 10 our argument for what was contained in the PSR for that time. I
11 don't think we can get all that in in --

12 THE COURT: I don't think we can either. I think it's
13 going to take us an hour minimally.

14 MR. VIETH: At least.

04:43:07 15 THE COURT: So how do you want to handle this? I think
16 we continue it, but the question is to when.

17 MS. VAN MARTER: Your Honor, I am here tomorrow.

18 MR. VIETH: I can be, Judge.

19 THE COURT: I think what I'm doing is trying to organize
04:43:22 20 my day so that I have -- are you here on my afternoon docket?

21 MS. VAN MARTER: And I'm also here in the morning, Your
22 Honor.

23 THE COURT: Okay. Well, I think I have an afternoon
24 docket, and the problem is that I have colleagues in Yakima who
04:43:36 25 have matters in the morning, and our interpreter is scheduled to

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1 be there for them, and I haven't checked with them to see if
2 they can move their hearings an hour or two to get ours in first
3 so that our out-of-town people can get home. And I'll make an
4 inquiry, but -- I know Judge Bastian has a docket tomorrow, and
04:44:00 5 so my interpreter, the court interpreter is scheduled to be
6 there, and I don't know what -- about our second interpreter
7 either, whether she's available tomorrow.

8 MR. VIETH: And, Judge, I do have a meeting at the U.S.
9 Attorney's Office in the District of Idaho at 8:30 in the
04:44:16 10 morning. I anticipate that taking an hour, so I can be here at
11 12:30 or 1:00 tomorrow.

12 THE COURT: That's good with me.

13 Ms. Vargas?

14 THE COURTROOM DEPUTY: We could do 12:45 -- I'm sorry,
04:44:34 15 2:45.

16 THE COURT: 2:45?

17 THE COURTROOM DEPUTY: Yes.

18 THE COURT: Well, then my Yakima colleagues, their
19 docket should be completed by then, right?

04:44:41 20 THE COURTROOM DEPUTY: Yes, and Ms. Hickey can be here
21 in the afternoon at that time.

22 THE COURT: Okay. Well, then I think we'll do it at
23 2:45.

24 MS. VAN MARTER: That's fine for the United States, Your
04:44:49 25 Honor.

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1 THE COURT: Is that okay?

2 MS. VAN MARTER: Yes, Your Honor.

3 THE COURT: So you can have a good night tomorrow and
4 then enjoy the ride back tomorrow.

04:44:55 5 MR. VIETH: And my wife is on call, Judge. It's
6 awesome.

7 THE COURT: Okay. Well, always a pleasure to meet with
8 you folks, and we'll have that pleasure again tomorrow afternoon
9 at 2:45.

04:45:06 10 Can you be here as well?

11 THE INTERPRETER: I cannot, Your Honor. I am scheduled
12 in Portland.

13 THE COURT: Okay. Well, I don't know how we want to
14 handle that, but we'll do the best we can. We may have to go
04:45:17 15 with one interpreter for that hour or hour and a half. So ...

16 THE COURTROOM DEPUTY: I already cleared that with
17 Ms. Hickey. She just will need a break.

18 THE COURT: Sure. We'll take a break.

19 Anything else that we need to do for the good of the
04:45:31 20 order before we take a recess?

21 MS. VAN MARTER: No, Your Honor. I just want to -- I
22 think, for the record, all of the Government's exhibits have
23 been admitted. If not, we would so move to admit any ones for
24 the record that were not.

04:45:45 25 THE COURT: They would be what numbers, what? One

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1 through ...

2 MS. VAN MARTER: 1, 2, and 3 -- there was no
3 Exhibit 4 -- 5 through 13.

4 THE COURT: Mr. Vieth?

04:45:55

5 MR. VIETH: No objection to those, Judge.

6 THE COURT: Admitted.

7 (Government Exhibit No. 12 admitted into evidence.)

8 (Government Exhibit No. 13 admitted into evidence.)

04:45:59

9 THE COURT: No more testimony, so we'll hear from you,
10 then we'll hear from -- Ms. Coronado, are you on this file.

11 THE PROBATION OFFICER: I am, Your Honor.

12 THE COURT: We'll hear from her as well. I believe that
13 completes matters for today. I appreciate all of your
14 cooperation. Thank you for being here, and we'll resume
15 tomorrow at 2:45.

04:46:11

16 All right, folks, have a good night.

17 THE COURTROOM DEPUTY: Please rise.

18 THE COURT: You may go about your business.

19 (Hearing adjourned at 4:46 p.m.)
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C E R T I F I C A T E

I, KIMBERLY J. ALLEN, do hereby certify:

That I am an Official Court Reporter for the United States District Court for the Eastern District of Washington in Richland, Washington;

That the foregoing proceedings were taken on the date and at the time and place as shown on the first page hereto; and

That the foregoing proceedings are a full, true and accurate transcription of the requested proceedings, duly transcribed by me or under my direction.

I do further certify that I am not a relative of, employee of, or counsel for any of said parties, or otherwise interested in the event of said proceedings.

DATED this 29th day of January, 2019.



Kimberly J. Allen, CRR, RMR, RPR, CCR(WA)
Washington CCR No. 2758
Official Court Reporter
Richland, Washington